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INDEX

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Government
Publications



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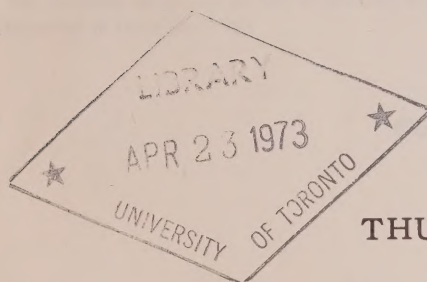
THE SENATE OF CANADA

PROCEEDINGS OF THE

STANDING SENATE COMMITTEE ON

AGRICULTURE

The Honourable HAZEN ARGUE, *Chairman*



Issue No. 1

THURSDAY, MARCH 15, 1973

Examination of the Annual Report of the
Canadian Federation of Agriculture

(Witnesses:—See Minutes of Proceedings)

STANDING SENATE COMMITTEE ON
AGRICULTURE

The Honourable Hazen Argue,
Chairman.

The Honourable Senators:

Argue	*Martin
Belisle	McDonald
Benidickson	McNamara
Côté	Michaud
*Flynn	Molgat
Fournier (<i>Restigouche- Gloucester</i>)	Norrie
Haig	Petten
Hays	Phillips
Inman	Sparrow
Lafond	Welch
Lawson	Williams

**Ex officio members*

20 MEMBERS

(QUORUM 5)

Order of Reference

Extract from the Minutes of the Proceedings of the Senate,
February 22, 1973:

"Pursuant to the Order of the Day, the Senate resumed the debate on the motion of the Honourable Senator Argue, seconded by the Honourable Senator Lafond:

That the Standing Senate Committee on Agriculture be empowered, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada.

After debate,

With leave of the Senate, and—

On motion of the Honourable Senator Argue, it was—

Ordered, That the motion be modified by substituting a colon for the period after the word "Canada" and adding thereto the following:

provided that no special expenses shall be incurred by the Committee without specific authorization by the Senate and full compliance with Rule 83A, and that all Senators shall be notified of any scheduled meeting of the Committee and the purpose thereof and that it report the results of any such examination to the Senate.

The question being put on the motion, as modified, it was—
Resolved in the affirmative."

Robert Fortier
Clerk of the Senate

Minutes of Proceedings

Thursday, March 15, 1973.

Pursuant to adjournment and notice, the Standing Senate Committee on Agriculture met this day at 9.00 a.m. to consider the Annual Report of the Canadian Federation of Agriculture and the Report of the Steering Committee.

Present: The Honourable Senators Argue (*Chairman*), Fournier (*Restigouche-Gloucester*), Inman, Lafond, Michaud, Norrie, Sparrow and Williams. (8)

Present, but not of the Committee: The Honourable Senators Carter, McLraith, Bonnell and Smith. (4)

The following witnesses were heard on behalf of the Canadian Federation of Agriculture:

Mr. Charles Munro,
President;

Mr. Roland Pigeon,
First Vice-President;

Mr. Edward A. Boden,
Second Vice-President;

Mr. David Kirk,
Executive Secretary.

In attendance were Members of the Canadian Federation of Agriculture's Executive Committee who were called upon to answer questions throughout the Proceedings.

At 10.40 a.m. the Committee proceeded, in camera, to the consideration of the next Order of Business.

At 11.00 a.m. the Committee adjourned to the call of the Chairman.

ATTEST:

Aline Pritchard,
Clerk of the Committee.

The Standing Senate Committee on Agriculture

Evidence

Ottawa, Thursday, March 15, 1973

The Standing Senate Committee on Agriculture met this day at 9 a.m. to give consideration to the Annual Report of the Canadian Federation of Agriculture, and the Report of the Steering Committee.

Senator Hazen Argue (*Chairman*) in the Chair.

The Chairman: Ladies and gentlemen, on behalf of the members of the committee I should like to welcome Mr. Charles Munro, President of the Canadian Federation of Agriculture, and his distinguished delegation.

As most of you know, this is the first time the Senate has had a Standing Committee on Agriculture in some 40 years. Therefore, I think this committee can be of real use in the future, and I am sure I speak for the members of the committee when I say to the Canadian Federation of Agriculture that we would welcome any presentation from you at any time that can be arranged at your convenience on any agricultural question that you would like to bring before us.

We think we can play a useful role. We are sure that the relaxed atmosphere you will find in this committee—as opposed to another committee on agriculture that sometimes meets in the other place—will be conducive to a pleasant hearing.

As senators we are active in our caucuses; we are part of the parliamentary setting and we are asked from time to time to take part in committees in our own parties, so that we feel we have a role to play. We need the information that you can give us, and from time to time we shall probably endeavour to undertake more detailed discussions of a particular nature when we think we can assemble, by means of this committee, some useful information and make some positive recommendations that would be helpful to Parliament, to the government and to the agricultural industry.

Without saying anything further, I would like to ask each senator beginning with our deputy chairman Senator Michaud to stand up in turn and identify herself or himself by name and by province, after which I will introduce Mr. Munro.

The members of the committee stood and introduced themselves.

The Chairman: Honourable senators, I have at my right Mr. Charles Munro, President of the Canadian Federation of Agriculture. It gives me great pleasure to call upon Mr. Munro at this time. He will introduce his delegation, and then he will proceed before our committee in any way he sees fit.

I would just like to point out that we are experiencing rather severe competition this morning, as there are a number of other committees meeting, and although the members of the delegation from the Canadian Federation of Agriculture would appear to have ample time, it might be that we will lose some of the members of our committee to other committees as time goes on. Nevertheless, I am very pleased to see so many senators here today.

Without further ado I will call on Mr. Munro.

Mr. Charles G. Munro, President, Canadian Federation of Agriculture: Thank you, Senator Argue and honourable senators.

We of the Canadian Federation of Agriculture are extremely pleased to have this opportunity to meet with you, and feel extremely interested, now that you have an agricultural committee, in the function of that committee; and certainly we will be looking forward with interest to being able to reflect to you and work with you as occasion may arise and as it would seem to be desirable either from your or our point of view.

I am fortunate in having with me here this morning representatives of agriculture across Canada, and I am going to take the opportunity to introduce these people to you. On my immediate right I have Mr. Ted Boden, second Vice-President of the Canadian Federation of Agriculture and President of the Saskatchewan Federation of Agriculture. Then we have Mr. Roland Pigeon, first Vice-President, Canadian Federation of Agriculture and President of the Co-op. Fédérée of the Province of Quebec.

Then we have: Mr. Jim Wright who is Secretary of the Saskatchewan Wheat Pool; and Mr. Gordon Hill, President of the Ontario Federation of Agriculture.

Then we have Mr. James McCague of the Dairy Farmers of Canada; and Mr. Howard Fuller from the Province of Nova Scotia and from the Federation in Nova Scotia.

Then there is Mr. Eldon McCullough from the Federation in New Brunswick; and Mr. Allan Smith, Executive Member and First Vice-President of the United Grain Growers from Alberta. Next to him we have Wilbert MacKenzie, our representative from Prince Edward Island; and then Mr. Dobson Lea, President of Unifarm, Alberta.

Then there is Mr. Bert Hall from the Manitoba Farm Bureau; and Mr. Gary Carlson, Secretary of the Saskatchewan Federation of Agriculture. Then there is Mr. William Hamilton from our staff here in Ottawa; and Mr. Bill Daman of the Canadian Horticultural Council. Also present is the Executive Secretary of the Canadian Federation of Agriculture, Dave Kirk.

Now, I think the best way to proceed—and if I am wrong, Senator Argue, perhaps you will correct me—is this: we have put in

your hands the text of the brief that we presented to the cabinet yesterday, which is an outgrowth of our annual meeting, and perhaps of some frustrations that have made themselves evident more sharply since our annual meeting. I am sure you have read through this documentation and know what is in it, but I shall assist you to some extent by summarizing it.

It says:

The text of this annual presentation to you and your colleagues will not be of great length. As farmers pursue the goal of increasing participation in the formation of policies, the complexity and detailed nature of the issues increases. An attempt to summarize the whole in a submission of this sort becomes virtually impossible.

The Federation does not accept the proposition that there is a problem of high food prices for which a solution must be found. We do not think there is a villain to catch, in a major way. The underlying situation of production capacity in relation to effective demand is not, we believe, such as to signal anything remotely approaching a crisis for Canadian consumers.

Our recent annual meeting of delegates declared in favour of the institution of wage and price controls supplementing broad fiscal and monetary policies.

Dairy policy: The urgent need now in the dairy industry is for an increase in the level of returns to industrial milk of a net amount of at least 60 cents per hundred-weight. This increase is absolutely necessary and should be immediately implemented. The necessary increase in producer returns must be obtained partly by produce price increases and should also come from a rise in the level of direct subsidy payments on industrial milk by the Canadian Dairy Commission. We strongly recommend too a legislatively established program for five-year forward planning and security for the dairy industry, and a decision to work toward increasing to the full level of domestic requirements for industrial milk, the amount of milk covered by direct federal subsidy payments.

Grains policy: In the large, complex and vital area of grains policy, the major elements of Federation policy are: support for a broadly based international grains arrangement for 1974; government sharing of costs on a minimum reserves stocks policy for Canada; aggressive grain export programs and continued use of food aid; initial prices at levels commensurate with costs of production; a production and grain receipts policy for the prairie grains industry; a systematic two-price policy for all grains used in Canada for domestic human consumption and industrial use; removal of the \$6,000 maximum limit on Prairie Grain Advance Payments and their extension to flax, rye and rapeseed; a boxcar distribution policy to permit delivery by producers to the elevator of their choice; a producer-directed Prairie Research Fund to be obtained by check-off system from producer payments; improvement in the grain handling and transportation system.

The following basic principles, as guidelines to policy, have been agreed to by delegates to our annual meeting. First, the maintenance and development of a viable livestock industry which will be a long run consumer of Canadian feed grain; secondly, a just return on investment and labour for both feed grain and livestock producers;

and thirdly, future expansion in livestock production on a fair and equitable basis.

Taxation: The amendments proposed to the Income Tax Act respecting farm transfer, taxation of agricultural quotas and the basic herd question represent a good deal less than half a loaf. We recognize some attempt was made to take account of our requests, but these amendments are wholly inadequate to meet the need. On farm transfer, the provision seems tied only to inheritance on the death of the farmer-owner. If this is so, it effectively prevents sound estate planning by preventing transfer in the family without realization of capital gains, prior to the death of the farmer. This is wholly unsatisfactory. Devaluation Day value is not recognized for these rights as it has been recognized for other forms of capital. The result is in effect a form of retroactive taxation which must be corrected, applicable to quota sales in the 1972 taxation year.

Basic herds have still not been recognized as capital assets. A system still is required to give effect to this recognition.

Trade and tariffs: We are looking forward to working closely with the government, in a consultative relationship, on the whole question of the upcoming trade negotiations in their agricultural aspects. Recent government action in the budget has granted free entry of livestock and meats from the United States unilaterally. Our bargaining position is undermined for obtaining reciprocity, and an unfair competitive relationship between Canadian and United States producers is established. Action should be taken to correct this untenable situation. It is urgent that an import policy for these national agencies must be established which makes stability of prices possible. This must be done in consultation with producers, and done very soon.

Horticultural producers are deeply distressed by the recent budget adjustments in tariff rates. It is absurd to endanger the Canadian horticultural industry by such cuts when the consumer will see little or no real effect.

The bargaining position of Canada in negotiations relating to this industry has been adversely affected. In the field of potato tariffs particularly, Canadian producers have important interests in tariff concessions from the United States.

Two things are needed: first, a re-instatement of the previous tariff rates; second, implementation, after so many years of urging on our part, of a systematic policy of calculating advance formulas for defining price levels which are clearly depressed in relation to costs of production, and at which minimum value for duty of imports will be established, as the present legislation provides.

The existence of these necessary protections does not and need not negate or compromise the basically international, competitive position of Canadian agriculture, or the legitimate interest of Canadian agriculture in the progressive freeing of world trade, which has been the long-time policy of the Canadian Federation of Agriculture.

Finally, on the subject of trade, the Canadian Federation of Agriculture supports the development of a basic export orientation to grains and meat production. Our annual meeting favoured the

setting up of an export development corporation to assist and co-ordinate export development activities in the farm, industrial and governmental sectors.

The Federation will be asking the co-operation of both Agriculture Canada and Manpower and Immigration in developing a systematic examination with the provinces into the problems and issues in the field of farm labour.

The Federation continues to believe that machinery should be established to ensure that where the public welfare is severely affected labour disputes are settled by some means other than damaging work stoppage.

We propose that provision be made for farmers to invest income in farm land under arrangements that would qualify it for income tax deferral as a retirement savings plan.

Protection is now accorded farmers under section 88 of the Bank Act on debts owed to them on the sale of field crops to firms that go bankrupt before payment. This protection should be extended to sale of livestock.

Delegates to our annual meeting recommended that direct means be found, through federal expenditure, to ensure a lightening of the burden of municipal taxes for education.

The St. Lawrence Seaway should provide: that tolls not be required to meet capital repayment and interest charges as well as operating costs; that there be no increase in Seaway tolls; and that Welland lockage fees be eliminated.

Steps should be taken greatly to improve Atlantic province transportation facilities, and rate policies, to place these provinces in a more viable competitive position for the marketing of their products.

In conclusion, may we again direct your attention to all of the matters raised in the attached compilation of resolutions which you will find in the back portion of our documentation?

Honourable senators, we submit this respectfully on behalf of the Canadian Federation of Agriculture, and we would be very pleased to discuss these matters with you.

The Chairman: Thank you very much, Mr. Munro.

Sometimes it is the practice for the chairman to begin the questioning, but I think I will forgo that and throw it open right now.

Senator Lafond: Mr. Chairman, I think we ought to congratulate Mr. Munro and his colleagues, first of all, on a very solid brief indeed, which I read with great interest. I also read with great interest their resolutions.

Earlier in the meeting I was the only senator from Quebec; so that will indicate where my question is bound to hit.

Regarding resolution 8(b) (ii), there was some disagreement with the UPA, and of course, there was quite extensive publicity given to that in Quebec, mostly by people who are no closer to being agricultural producers than I am. I wonder whether you could elaborate on what was thought objectionable in the UPA proposal,

or the UPA amendment, and why it was objectionable to the majority of the delegates?

Mr. Munro: I have sitting on my immediate right both members of the Federation Grains Committee, so I am warning them they had better get ready to answer your questions.

Within the Federation during the past year we did conduct, formulate, document and prepare a very serious position on feed grains as a national policy for Canada, which proved to be an extremely difficult proposition because, first of all, of our geography which is very comprehensive; and the competitive position across the country, as well as breaking down the political situation which is already built into the system in Canada. This committee did work very hard.

Without getting into the central part of the issue—and later it was proved that we did not solve the issue—but it was our feeling that we were performing a valuable service to both the producer of livestock and the producer of feed grains. Let us recognize, first of all, that the Canadian farm economy, both grains and livestock, comprise 85 per cent of our Canadian agricultural industry; and that is not underscoring in any sense, in my opinion, those products that do not fall within that category; but it does point out the predominance of that sector.

Mr. Pigeon, would you like to lead off?

[Translation]

Mr. Roland Pigeon, First Vice-President, Canadian Federation of Agriculture: Mr. Chairman, ladies and gentlemen, I would like to say to Senator Lafond that there wasn't only the UPA; all the Quebec organizations agreed. Unfortunately, the meetings were held at the same time: the meeting of the *Coopérative fédérée* was held at the same time as that of the Canadian Federation of Agriculture and there was only one delegate representing the *Coopérative fédérée*.

You know, tremendous efforts are being made to try to solve this problem, but it is not as easy as people may think. Many persons have talked about it, but they have not studied the problem in depth. For ten years now, at least, we of the Canadian Federation of Agriculture have been trying to find a solution for the people of the East and of British Columbia who are forced to buy grain because they cannot produce enough of their own. It has not been easy to agree to that.

Moreover, it has been two years now since committees have been created within the Canadian Federation of Agriculture and the Canadian Grain Commission to study the subject more closely. We have been presented with 34 briefs coming from all the agricultural associations of Canada, governments and those interested in grain marketing. In the end, we succeeded in agreeing somewhat on a policy which, however, was fairly difficult to apply in the case of the Canadian Federation of Agriculture; we've tried, maybe we've tried too hard, since the terms of reference were to examine the feed grain marketing situation in Canada; however, we've tried to solve the problem of the Western grain producers.

As you know, we started up at the time when there were distress prices, during the surplus years. We think that it is then that we were not treated fairly, and that situation is still with us.

Where prices are concerned, at one time, we were paying, for grain, twice and even three times the price people were paying at the other end. Moreover, in the case of finished products, there is no barrier; they move freely in Canada.

What we want, to put in briefly, what the people of Quebec want, is to pay more or less the same price as cattle or poultry producers of Western Canada plus a margin allowing them to market their finished products from one end of Canada to the other since there are no barriers in the case of finished products. For 35 years now there has been a barrier between East and West and we have to live with it. That is what we are trying to obtain.

We have submitted reports. We are ready to pay the same prices as people pay in the West because we have to compete with finished products. What we want is as simple as that. To date, it has not been easy to agree on the subject. I hope that you, the senators from New Brunswick, understand me too.

It is a very complicated matter. We know that the problem is examined at the Cabinet level. People are working on it. We have made representations in order to try and obtain justice in this respect.

You know that in September there was still a difference of 67 cents between the price paid by the Western and Eastern producers for a peck of grain. We think it is not reasonable. We are ready to accept a margin of about 35 cents a peck which would allow cattle, egg or poultry producers of the West to send their products to the major markets, because prices are always a bit lower in the West than they are in Montreal or Toronto.

This is all we want: justice; after all, we are all living in the same country. I have said it many times now. I will go on saying it until the problem is solved equitably everywhere in Canada; we will go on saying it.

You know what is happening, the Quebec Government thinks like us but it can't come to our meetings because they are not farmers. We have the unanimous support of Quebec, which is something we never had before. We have been working together for more than a year to try to solve the problem. The Quebec Government has even created a policy directed towards bringing about better rates.

I know it is not an easy task because we do not have the climate to produce what we need. This year, we will have to buy 60 percent of what we need in the West. I do not think it is easy but we are coming to it. We are trying harder because agreement does not seem possible.

I wanted to explain our situation to you in a few words; that is why our people left the room, because we were not treated fairly. We cannot reach an agreement at the level of the Canadian Federation of Agriculture. Moreover the Grain Committee submitted another recommendation. If we had been able to obtain a recommendation, within the Grain Committee and the Canadian Federation of Agriculture, we would have been able to say to the Cabinet: This is what we want. Maybe things would have been easier. But, we could not reach an agreement at this level. So, the decision will be taken here. I do not know whether it will be the best one, but we are still waiting for it.

Senator Lafond: Thank your, Mr. Pigeon.

[Text]

Mr. E.A. Boden, second Vice-President, Canadian Federation of Agriculture: First of all let me say that I am glad you asked the question, Senator Lafond. There is nothing that has concerned my colleagues in western Canada and me more than the unnecessary controversy. You asked the question, "Why the controversy?" I hope that some day we can realize that we have one country and if Roland Pigeon did not mention it now, he did before. This is true; the inter-relationship between the livestock and the grain sector in Canada is such that we must see to it that feed grain is in a viable position if we are to achieve continuity of supply, which is vital to the health of the livestock and poultry sectors. We must pay the man who grows the feed grain sufficient to bring that supply forward. You know that, so we do not need to argue it. I do not mind stating frankly that I am becoming a little tired of this continuous west-east, east-west conflict. You are senators and maybe this is the right place to say it.

The Chairman: We have it too.

Mr. Boden: I think Hazen Argue knows what I intend to say now. If politicians would cut out this confounded nonsense of manoeuvring one sector against the other, we might be able to get down to some basic policy decisions. This is one of them. It has been handed over to the federal department and government, for them to attempt to bring something forward. I am sure it will be an interim policy, but they are having a very difficult time, as I am sure you know, Senator Lafond.

You referred to page 9, paragraph 8(b)(ii). In order to get the complete picture we should refer to the resolution brought in by the U.P.A., which appears at page 10. The formula they request would be based on the price paid for grains by feed mills and at the feed lot level. An amendment to that introduced the principle in (b) (ii) which you referred to in which, by calculating the weighted average price of grains used in livestock production in the region, it goes beyond that which is paid by the feed mills and at the feed lot level. Now, actually, what is wrong with this in principle? Because of the amendment and because they thought there would be difficulty in monitoring a wider coverage than feed mills, Senator Lafond, they became a little suspicious. In my opinion, this was unnecessary, but that is a human factor. I hope that you will do what you can to sort out what I consider to be unnecessary cleavage in the two sectors.

The Chairman: If you intend to bring more nearly equal the price of feed grains on the Prairies and the price of feed grains in eastern Canada, which I take it is what this is about, maybe there should be some action to bring together the selling prices of livestock on the Prairies as compared to those in eastern Canada. While we on the Prairies have an advantage in the price of feed grains, we suffer a disadvantage in the price of our finished product.

This is my particular question: Are you aware of the fact—and I state it as a fact because I believe it to be and I made the necessary inquiries—that the Canadian Wheat Board today is selling feed barley in Canada at 20 or 25 cents a bushel less than can be obtained for it on the export market?

Mr. Boden: That is right.

The Chairman: So one could say that already the producer of barley on the Prairies is making a contribution to agriculture in central and eastern Canada by this price differential. I am not trying to stir up a controversy; I am only saying that this is a contribution that is already being made.

Mr. Bodén: May I respond to that right away, because we are before a Senate group and I suppose we can speak as individuals. What you said is right, but there was also an earlier period, of which Roland Pigeon and the U.P.A. are well aware, when the Wheat Board charged more on the domestic market. That was wrong, and the present situation is wrong; both operations are wrong and we must sort this out, otherwise we will continue in this kind of cleavage.

Concerning the price of the finished product, sure, look at the variation; but to be fair to the U.P.A., Mr. Pigeon and others, they agree that there should be a differential. The cost of moving it is anywhere from 30 to 40 cents. That is not our fault; it is the national cost, a legitimate cost which must be overcome. Take a look at hogs, a four-cent spread between Toronto and Winnipeg, or Montreal and Winnipeg, for hogs gives another \$5 or \$6 a hog, which would offset the cost of shipping grain. Beyond that I am critical.

Senator Inman: I wonder if we could have a translation of the gentleman's address in French?

The Chairman: I apologize that the only room we could get does not have translation facilities. Senator Lafond may wish to translate it. Is it the wish of the committee that we have a translation at this time by Senator Lafond? Mr. Pigeon can also translate his own remarks; I know that. Or should we go forward as we have been because our time is limited.

Mr. Bodén: I think I can trust him.

The Chairman: Senator Carter, are you ready to change the subject?

Senator Carter: I would like to return to page 2, where you refer to the dairy policy and declare that the level of return should be 60 cents per hundredweight. My first question is what is the present return?

Mr. Munro: Mr. McCague, you are with the Dairy Farmers of Canada. Would you care to delve into this question?

Mr. James McCague, Member, Executive Committee, Canadian Federation of Agriculture: Mr. Chairman and honourable senators, this return varies, depending on whether or not the manufacturing shipper receives a subsidy. The federal subsidy is now \$1.25 per hundredweight, which affords him approximately \$5.75.

I am told that it is a little better than \$5.85, so it is approximately \$5.85, including the subsidy. The shipper does not receive a subsidy, which is one of our complaints. In our opinion the subsidy should apply to all milk used in the domestic market. There is a substantial short-fall there; \$5.85, less about \$1.85. It is just

plainly not proper to produce milk at that price. For that reason this 60 cents per hundredweight was requested at the first of the year before the price of feed grain went up as much as it did. We think that it should be closer to 80 cents; but 60 cents is the minimum.

Senator Carter: I seem to remember Senator Haig introducing at one time a bill which had to do with subsidies on milk. I am not quite sure what the details were, but my impression was that the subsidies were being reduced or changed because they had encouraged too many small farmers to build up little herds of two or three cows, which was not economical. How do you go about overcoming that problem?

The Chairman: Senator, if I might interrupt. I think that had to do with quotas; I do not think it had to do with prices; that is an altogether different issue. However, if you wish to raise it, I am sure that the witness can answer it.

Mr. McCague: We have a market-sharing program which does control this. Any milk that is produced in excess of domestic requirements automatically has a penalty of \$1.50. It pretty well makes it so that people will not produce more than is required domestically. That penalty comes off the subsidy that is supplied by the government. In other words, it has the effect of nullifying the subsidy.

Senator Carter: How much subsidy would you require to bring it up to the 60-cent requirement? More than you are getting now.

Mr. Pigeon: I should like to say a few words. At the time of Senator Haig, he was a little hesitant to put on the subsidy, because we had a big pile of butter in storage in Canada. The price at the international level was low. There was no market for it. In fact, it was low for all dairy farmers at that time. It was not easy. Three years ago we accepted supply management in the dairy industry. We were the only ones in the world to accept that. It was to control our supply, to get a better price, better industry. Last year we imported 11 million pounds of butter, and this year we will import 28 million pounds. We cannot control the weather. We had the worst year in history in Eastern Canada, otherwise we would have had enough butter.

To answer your last question, how much subsidy do we need, it is a subsidy for all our domestic need. There is a big disparity between producers. Some are getting a 60-cent subsidy on their production, another 50 cents and another 90 cents. There is quite a disparity between individual producers. We cover 90 per cent of our needs—that is, 325 million pounds of butter. That is the basis of our industry—to get enough butter. We have surplus skimmed powder, and we have to sell it outside the country—about half of it; and for the last two or three years it was not bad. The price at the international level was increasing all the time; but now it is going a little bit low. But we accept that. It was 10 cents last year, and this year we will probably get 15 cents to cover the export market. We accept that. We are in a better position to ask for more subsidy to cover that. Otherwise the price of butter will increase by 25 per cent on the market. Our producers need 60 cents. We asked for this in

January. This was figured on last fall's cost of production. As Mr. McCague told you, the price of feed grain has increased, and so on. This year, to cover the increased cost of production, we may need 80 or 85 cents per hundredweight. This is what we need. We need an increase to supply our butter.

Senator Carter: I think it is general knowledge that the agricultural industry in Canada is probably the most efficient industry in the country, and part of your problem is because you are perhaps over-efficient. How does the efficiency of the Canadian industry compare with that in the United States, in the different sectors—in the grain industry and the dairy industry? Are we as efficient in all sectors of industry; are we more efficient or less efficient than our friends to the south?

The Chairman: We might need three days to answer that question!

Mr. Munro: Except where weather or climate becomes a factor—and it is a factor in much of U.S. agriculture. We do not have as long a season; we have a more compressed season, which puts greater stress on machinery within a short length of time. But certainly, in my experience, we are every bit as efficient as are U.S. producers. But where they have a more desirable climate and a longer season, they can get, to some extent, greater use of their labour and machinery.

Senator Carter: Climate is a great advantage.

Mr. Munro: I think Mr. Bert Hall from Manitoba has a comment.

Mr. Bert Hall, Manitoba Farm Bureau: I represent primarily the poultry industry, specifically broiler producers, and I do think we have some concern that I should like to express in this regard. While it has been thrown to us in the Canadian industry that we must be equally competitive, I am sure that if the complete facts were known on the American counterpart, I am sure that consumers, the people in the government, and others certainly would not suggest that we necessarily follow their pattern. I have been familiar with some of the activities over a period of years, and I have also toured the area. I would like to refer to one quotation from the Ralph Nader organization. It is a quotation from the book *Sowing the Wind* by Harrison Wellford who exposes the appalling plight of the American broiler grower. The quotation is:

His report is a chronicle of ruthless exploitation, on the part of the giant agribusiness corporations, which has reduced the grower to the neo-feudalistic state of the Mexican peon.

Substantially, I think that is true. With the moves that were made supposedly towards efficient production, many of the activities that take place we would find difficult to criticize, because there has been much progress as a result. Nevertheless, for individual agricultural producers, as such, and the policy, which I think generally we have adopted, we would like to maintain the concept of the family farm. It seems to me that if it is reasonable to assume that agricultural producers are part of our society and our way of life, it should be recognized that there should be a reasonable return

for services rendered, and I believe it is reasonable on the part of primary producers that there should be a reasonable return. I think this is not a fact in the United States, and I do not think we would like to follow that policy.

The Chairman: I will call upon Senator McIlraith, as he has to attend another committee.

Senator McIlraith: At the bottom of page 2 of your brief, under the heading "Dairy Policy," it says:

In addition, however, to restrain the rise in the level of prices to consumers, and to maintain the level of consumption and the health of the dairy industry in Canada, part of the increase also should come from a rise in the level of direct subsidy payments on industrial milk by the Canadian Dairy Commission.

I would like to have a little information as to what extent you regard subsidy as something required on a temporary or short-term basis, or to what extent you look upon it as something that should continue in the relatively long-term as a solution to the problem.

Mr. McCague: We consider that due to the climatic conditions in Canada and the cost of producing dairy products—part of the milk is used in powder and manufactured products—subsidy will be necessary in the foreseeable future. The rate of people going out of cattle, milk cows, is increasing, because people just do not like it any more.

Senator McIlraith: That is labour costs?

Mr. McCague: Labour costs are tremendous. There is talk about absenteeism in manufacturing industry. You cannot have absenteeism in the dairy industry or you are out of business. It means working every day of the year; somebody has to be on the job. This is one of the factors. There must be a substantial increase in the price of milk. The number of cattle being exported now means that our national herd is barely maintaining itself. In fact, it is not really maintaining itself. Unless there is a substantial increase we are afraid that our milk situation will become serious.

Senator McIlraith: My point was not on the necessity for an increase, but rather the extent to which you look upon this as a more or less permanent condition.

There is one point that I should like to pursue perhaps on another occasion, and that is the risk of long-term subsidy lessening the efficiency of the industry, in the sense that the exploitation of new developments might tend to lower costs. I have in mind at the moment an experiment that rather intrigues me that is going on with the Quebec dairy industry. I would hate to think that long-term subsidy would lessen the will of the industry to experiment with every possible means of reducing costs and getting rid of the subsidy.

Mr. McCague: The subsidy does go to the farmer, but in reality it is a consumer subsidy. If the subsidy were removed the price of all dairy products would have to go up.

Senator McIlraith: I understand that. What about the danger of long-term subsidy tending to prevent the industry from staying efficient? Do you see any danger in that?

Mr. McCague: The average production from our cattle in Canada is better than any in the world. We are exporting to something like 60 countries, and from an efficiency standpoint we can face up to anybody. The cost is due to the weather. The cattle have to be housed for so long in Canada, whereas in New Zealand and Australia they do not have to be housed, they are in the field all the time. I do not really follow your concern about the subsidy, because it is really a consumer subsidy to keep the price down.

Mr. Boden: Now you have said it.

Senator McIlraith: My concern is with the principle of subsidy on a permanent basis in any industry. It was not really addressed to consumer subsidies at the moment; that was not the question.

Mr. Gordon Hill, Member, Executive Committee, Canadian Federation of Agriculture: I can assure you that our dairymen are interested in making a dollar, and if there is anything they can possibly do to reduce their costs and increase their efficiency, and thereby increase their income, our dairymen will be the first to try it.

Mr. Wilbert MacKenzie, Member, Executive Committee, Canadian Federation of Agriculture: I should like to refer to Senator McIlraith's question on the subsidy preventing dairymen from becoming more efficient.

Senator McIlraith: Permanent subsidy.

Mr. MacKenzie: Since the institution of the subsidy you will find that the dairy herd has become a better herd. Every year since that subsidy was introduced that has been the case. For instance, the average amount of milk given by the cow today is far and away above what it was when there was no subsidy. I do not think there is any danger or any need to worry about this subsidy causing the dairy farmer to become lax and not do a good job. If there is money in a given product, that is the product the farmer will work on and capitalize on, because that is the area where he can make a few dollars.

Senator Norrie: I have two questions, and I do not mind whether they are answered this morning or not. Have we a surplus of butter? What are the sales of margarine versus butter?

Mr. David Kirk, Executive Secretary, Canadian Federation of Agriculture: The answer to the first question is: no, we do not have a surplus of butter—I think primarily because of the weather conditions this last year, which were disastrous.

Senator Norrie: This is just a year.

Mr. Kirk: This is just the year. Consequently, for the last two years we have in fact produced less butter than we consumed. That is the situation. The objective of the program, as I am sure will be

the case, is to produce very close to our requirements. That is the objective. On the second question: we consumed between 15 and 16 pounds of butter per capita.

Mr. Pigeon: It was 15.3 pounds a year ago.

Mr. Kirk: That is butter. Margarine is, I think, about six or seven pounds. That is the general relationship.

Senator Williams: Are we exporting any butter?

Mr. Kirk: No.

The Chairman: One would think from what has happened in this committee that there was nobody on it from the Prairies. The accusation is always made that in Parliament everybody on the agricultural committees is from Western Canada. Here one would almost get the opposite impression.

I should like to ask what progress is being made to provide the benefit of protein grading to the individual producer of high protein quality wheat. Then perhaps you could tell us one or two things about your opinion on how the payment on the two-price system should be made.

Mr. James Wright, Saskatchewan Wheat Pool: Your first question was on protein grading and how it is being related back to the individual farmer. At this stage it is not getting back to the individual producer. I think the reason for this is that it would introduce quite a number of additional complexities into the system, which would slow down the process and create additional costs, which in the view of the trade at this point would not be justified. The grain is segregated by protein for export in bulk lots at export locations. Records of this are kept on an area basis. I would think that the first move towards getting it back to the individual might be to reflect it in the pooled price from a given location in a province, from a shipping point or delivery area. That might be the first move to reflect it back to the individual producer. The indications are that to do it on an individual basis would introduce so many additional costs and complexities that it would not be worth it.

Your second question referred to the payment of the two-price system for wheat. That is a little more difficult to answer. Our view in the Federal of Agriculture, and in most farm organizations, as I understand it, is that the justification for a domestic price on wheat is to reflect the cost of producing in the Canadian economy. This was recognized by establishing the \$3 price for domestic wheat. The government, however, decided to retain the \$1.95½ level for cost to millers and, therefore, to consumers, rather than pay the balance of approximately \$1.05 per bushel out of the federal treasury.

This seems to us a direct subsidy to consumers. We have no particular objection to that, although we think really that the consumers should be able to pay this in the Canadian economy. But once the government has decided to do it in this manner, then the question becomes, "How does it get distributed back to the farmer?" We see no justification at all for distributing this additional revenue back on an acreage payment basis where it gets

spread to all producers regardless of whether they produce wheat or not. We certainly feel that it ought to be paid back to the wheat producer.

The CFA policy indicates that this payment should cover at least 90 per cent of the wheat production. In other words, you could put a ceiling on the number of bushels that any one producer would receive this extra payment on, and, therefore, not pay an undue amount to any too large producer in relation to others.

The Chairman: Am I correct in thinking that the Canadian Wheat Board today in the selling of wheat for domestic consumption in Canada receives for the wheat producers only \$1.95½?

Mr. Boden: That is correct.

The Chairman: It is also true, then, that the Wheat Board sells wheat out of Thunder Bay at \$2.65 or thereabouts, and out of Vancouver at over \$3 a bushel. That is what it was the last time I looked. So what you have today, in effect, is not a two-price system. I am just making a statement, and you can shoot me down if I am wrong. I would argue that it is a tax on the wheat producers that creates a certain sum of money that will be paid in a certain way. I can argue how it might be paid. That is beside the point. What I am really saying is that unless you make some payment on a bushel basis you are taxing by federal policy at this time the producer of wheat to the extent of the difference between \$1.95½ and the \$2.65 or the \$3 per bushel, on the wheat going to domestic consumption.

When this thing was brought about, no one advocated it harder than I did, but the selling price domestically was less than \$1.95½.

Mr. Boden: You are right this time. I am glad you raised that point.

The Chairman: Well, it is one point to say that the consumer is getting it for \$1.95½. That is one point, but who is giving it to the producer at \$1.95½? At the moment two-thirds of it come out of the wheat producer himself. Do you think that is a fair statement to make?

Mr. Wright: Yes, basically that is correct.

Mr. Boden: I wonder, Senator Argue, if any of the members of the committee really understand that, though.

The Chairman: Some members certainly understand.

Mr. Boden: Let us go back a few years to when the government agreed that \$1.95½ was a proper figure for the domestic consumer to pay. At that time the world market was below \$1.95½. We commended the government for putting that price level on wheat, because in relation to doing business in Canada there was nothing wrong with it. But now, as Senator Argue has pointed out, the world market price is \$2.65 or something like that, but the miller is still only paying \$1.95½. That is a real discrepancy.

The difference between that and the \$3 is another issue again. If the government wants to make up that difference of 30 or 40 cents,

I think they should in one form or another—and we can argue about how they would do that, too. But that is the big figure right in there, the \$1.95½ to the \$2.65.

The Chairman: The facts are different now than when the price was under \$1.95½. In one instance, obviously, the government put up all the money and then you could say that the government had the right to say how it would be allocated, but when, in effect, the wheat producer himself is putting up two-thirds of the money, it is hardly fair to ask the barley producer if he wants a chunk or not, because obviously he is going to say he wants it.

Mr. Boden: I might say we do not like the questionnaire either.

Senator Carter: What is the answer to that, Mr. Chairman? Is it not a formula rather than step figures? Prices are going up and down all the time. You can never out-guess the market.

The Chairman: That is another point. The \$3, I presume, could vary with the cost of production and so on, but I think one point everybody can make is that despite the huge increase in the cost of food, the cost of flour has been kept down while the cost of bread has not. Flour can still be bought at a real bargain anywhere in Canada.

Senator Sparrow: Under the proposals they suggest permanent legislation for a two-price wheat program. What would be the form of legislation? How would it read?

Mr. Wright: Well, I think the suggestion would be that a method be found to establish what the domestic price should be in relation to the cost of producing in the Canadian economy.

There are ways of establishing formulas to develop this. The Americans manage somehow to establish a domestic price; the Australians manage to establish a domestic price through a formula system. I think it should be possible to do that in Canada.

The legislation, in our view, should simply give the Canadian Wheat Board the authority to charge a price on a formula basis, depending on the cost of producing in the Canadian economy to the Canadian milling industry.

Mr. Boden: That is a good question, Senator Sparrow, but I would ask you how they arrived at the \$3 level. They must have had a formula. It is a parity level.

Senator Sparrow: But why should there be permanent legislation? What is wrong with the Order in Council at the moment?

Mr. Wright: The Order in Council at the moment, Senator Sparrow, fixes the price at \$1.95½.

Senator Sparrow: But I was thinking of the \$3 price and the subsidy aspect.

Mr. Wright: Yes, that is a figure that has been picked out. The \$3 may be correct today, but not tomorrow.

Senator Sparrow: Under the formula, then, are you prepared as a federation to recommend what that formula be?

Mr. Wright: We would be prepared to work with the government in establishing or negotiating what that formula should be, yes.

The Chairman: Just on whether it should be legislation or an Order in Council, I think everybody would agree that if you have a choice it should be legislation. I just hope that the members here from the Canadian Federation of Agriculture are aware of the almost impossible task of getting anything through our House of Commons as it has been constituted in the last two or three years. That is not a political point at all; it is just a statement of fact. The government could not get its budget legislation through, although some people argued that they could have. They could not get it through Parliament last year. I doubt if many of those tax bills will in fact be enacted, I do not know, but in this context, when you ask for legislation, all I can say is that they could not get the Canada Grain Act for many years. It was crying out for amendment, but they could not get it through that place.

In other words, the principle of the legislation may be the very best, but is it practical?

I could give you an idea. If you want to produce a bill that would become an act, and if it does require money out of the federal treasury to an undue extent, such a bill could originate in the Senate. I would suggest that you go to work on such a bill; bring your legal people in on it and give us such a bill or bills. We can pass them and send them over to the House of Commons. If they do not want to act on them, that will be their responsibility. At least you can get the legislation started here.

There is quite an agreement as to whether the Senate can put in a bill which would cost, say, \$10 million or so. That point is not clear. But if it did not unduly offend against costs, and many of the things you want would fall under that category, they we would be happy to consider such a bill in the Senate. We could originate it here and get it through the Senate, and that would take it at least some distance towards being on the statutes.

Mr. Kirk: Mr. Chairman, on principle we basically support the concept that the price for these grains for domestic use can come from the consumer, and, in fact, should fundamentally, and that kind of bill does not require any expenditures of federal funds.

Mr. Boden: That is right.

The Chairman: Yes, that is correct. If you people had it sanctioned and if the Senate itself would sanction it, then that kind of bill could go from the Senate to the Commons, and I believe that would be a useful function for both the Canadian Federation of Agriculture and the Senate to perform.

Mr. Munro: Senator Carter has given me a question which I would like to ask Allan Smith to answer. The question is as follows:

I would like to get an answer to paragraph 16 on page 4 with regard to the producer-directed Prairie Research Fund.

What kind of research is envisaged? Why is it not being done now? Who would do it? Would it be farmed out to independent researchers, to universities, or to government research laboratories?

As a member of the Special Committee of the Senate on Science Policy, I am interested in the answers and would like you to put the question for me so that it will be on the record.

So, Mr. Smith, can you answer the questions?

Mr. Allan Smith, Member, Executive Committee, Canadian Federation of Agriculture: First of all, if I could just go back very briefly to the previous question about the two-price system: First of all I hope that you all understand, and I am sure you do, that the return a farmer receives from a loaf of bread is something less than three cents a loaf, and this has been the case for a while. That is the farmer's share of a loaf of bread. I do not know what you pay in Ottawa, but we in Western Canada pay anything from 30 to 33 cents for a loaf of bread. It is certainly our feeling that that should come from the consumer and not as a government subsidy. I do not think that point was brought out.

For many years Western farm organizations have been requesting a check-off for market development research promotion, et cetera. A figure of one-tenth of 1 per cent, I believe, was asked for, and this would be administered by a group set up from the farm organizations who would administer the different research projects. Certainly the projects can be farmed out to research organizations within Canada provincially and federally. I am not sure if I have answered everything in the way you wanted it, but basically that is it. Up until now we have not had too much encouragement, but I believe that Mr. Lang mentioned yesterday that they were considering this at the present time, and it is to be hoped that it will be done. We want to pay for it ourselves, but we want to have a say in what research is going to be done.

The Chairman: Any other questions?

Senator Michaud: I have one question relating to the first question that was brought up. I think Mr. Pigeon mentioned in the course of his remarks that the difference in price in feed grain was anywhere between 40 cents and 50 cents a bushel.

[Translation]

Did you say there would be a difference of 40 to 50 cents for a peck of grain between the Western and Eastern regions?

Mr. Pigeon: This is correct. If you consider the figures for September, the difference of price has gone up to 67 cents between what is paid by the Western and the Eastern flour mills.

[Text]

Senator Michaud: Mr. Pigeon says at this time that there is a difference of as much as 60 to 70 cents a bushel for grain sold in the east compared with grain sold in the west. On the other hand is not all the grain handled by the Wheat Board in the west?

Mr. Wright: It is only grain which crosses provincial boundaries which is handled through the Wheat Board. Mr. Pigeon was quoting the difference in price, I think, between the price at which the feed mill or the feed lot in Saskatchewan or Manitoba or Alberta could buy from a farmer in that community, and that does not have to go through the Wheat Board because it is in the province, and the Wheat Board does not control the movement or sale of grain within the province. It only controls it when it crosses a provincial boundary. So the difference of 60 cents that Mr. Pigeon quotes

would be a feed mill price in Saskatchewan, for example, where a farmer is selling to a processor or a feed lot, and he is quoting the 60 cents as the difference between that price and the price in Eastern Canada. I think he has picked the September price because at the moment you could go to Western Canada and find that feed mills are paying—perhaps, Dobson, you could quote a figure.

Mr. W.D. Lea, Member, Executive Committee, Canadian Federation of Agriculture: A dollar, five or a dollar, ten for number one feed barley.

Mr. Wright: So I would suspect that the difference now between the feed mill price in the West and the price in Eastern Canada is much less than 60 cents and could even be less than 40 cents at the present time.

The Chairman: It is narrowing quickly, I think.

Senator Sparrow: On that last comment regarding the \$1.05 and the \$1.10, I think some one took objection to that figure.

Mr. Boden: I Did.

Senator Sparrow: What is your objection?

Mr. Boden: Feed mills right now are paying as high as \$1.50 per bushel for number 1 feed barley.

Senator Sparrow: What about oats?

Mr. Boden: There are no oats to be had.

Senator Sparrow: Well then, how do those figures compare with the figures you are talking about?

Mr. Pigeon: At the present time in Quebec you cannot get any oats, and if you can, it is over four cents a pound.

The Chairman: It would be very near that out West, because I do not know where it went. I cannot buy a bag for my horses.

Mr. Smith: Mr. Chairman, if I may, I should like to say that I think the area of discussion of feed grains originated at a time when we had enough feed grain in Canada, and I think if we are going to be national and objective, we have to look at policies that will apply when we have sufficient feed grains as well as times when we are in short supply.

Mr. Lea: I just wanted to say a bit more about those figures. I quoted \$1.05 and \$1.10 but where Mr. Boden lives in Saskatchewan the prices are different. That is one of the problems. You see in Western Canada the price at feed mills is the price of the residue grain that is surplus to the situation and farmers are getting rid of it and they do not have to sell it to the Wheat Board. Down in Eastern Canada the price at the feed mill is a purchasing price and it is a demand area and it is in an altogether different situation.

Senator Sparrow: On that protein grading question, I am not too sure that I understood your answer to that. Your resolution says, "to provide incentive for the individual farmer". Then did I

understand you to say that you did not mean the individual farmer, but the bloc—the individual farmer within a bloc?

Mr. Wright: Well, I think the policy statement says that it should get back to the individual producer. All I am saying is that at the moment it does not seem practical to move quickly towards that because present technology increases the cost of testing individual lots, the cost of separating them and keeping them separate from individual shipping points. These are factors which in the view of the Canadian Wheat Board and the Canadian Grains Commission and the handling agencies would introduce costs which at the moment would not be justified, and we are saying that the first step towards getting payment back more directly to the producers might be on a shipping point basis rather than on the point of the individual grower of the grain. It might be on the average protein from that individual shipping point rather than from his own individual protein.

Senator Sparrow: Who sponsored the resolution then when it was passed?

Mr. Wright: Well, I think it is a resolution which recognizes that farmers would like to see this happen and would like to get it back to the individual producer. I think that is the principle of it, that farmers are saying that they would like to have it reverted back to the individual. All I am saying is that at the moment it does not seem practical to do it on an individual basis.

Senator Sparrow: It is not that way at the present time?

Mr. Smith: Not at the present time, but I think we are informed that in the future they think it will be.

Senator Sparrow: Are you talking about the protein grading at the elevator?

Mr. Smith: Yes, and it is very expensive. It is too expensive at the moment.

Mr. Wright: But there is a change in technology in this area—in methods of testing.

Senator Sparrow: Within what period of time do you think it might be feasible—three years, five years?

Mr. Smith: Not before five years, I think, and it certainly will not be on an individual basis, but it might be on a bloc basis.

The Chairman: Or on an elevator marketing point basis.

Senator Sparrow: The National Farmers Union is not a member of the CFA?

Mr. Pigeon: Not yet.

Senator Sparrow: They were at one time but they withdrew?

Mr. Wright: Before they became the National Farmers Union, some individual provincial farmers unions were affiliated at one time.

Senator Sparrow: They are advocating being the bargaining agent for farm products. What is your opinion on that, Mr. Munro?

Mr. Munro: Well, I would certainly say they have to increase their membership basis across Canada much more comprehensively than is the case at the present time. According to the statistics we have seen reported in the press their membership seems to be about 22,000 while I think there are about 350,000 farmers across Canada. If they are going to take that position, they have to have the backing of farmers to do so. Otherwise we would be in a very undemocratic situation.

Senator Sparrow: Are you suggesting that if an organization, be it NFU or otherwise, could obtain a 51 per cent membership of the farmers in Canada, then consideration should be given to making that organization the sole bargaining agent for agricultural produce?

Mr. Munro: I think that is one question that we are purely theorizing on. At the present time they are not; and I am sure the farmers in Canada would be looking at it very, very closely to understand the leadership and the type of organization exemplified, and to say yes or no to that question I think we would simply be dreaming as of the moment.

Senator Sparrow: The point I am getting at is this: Not necessarily using the NFU, but any organization, it may mean making it easier for such an organization to obtain members, for one thing, if that were the goal, if the farm organizations and the government said, "Yes, we will bring forth legislation that would make you a bargaining agent if you were to obtain 51 per cent membership of the farmers." Then that goal might be reached more easily, and that is the point I am getting at because now it says, "We don't care what your membership is." And that is not a good policy.

Mr. Munro: But we do have collective bargaining presently in operation in all provinces of Canada. In my own province, the Province of Ontario, for years we have had marketing boards—and we helped to build them—that have very comprehensive powers, if they care to use them. So it is nothing new to have collective bargaining.

We are only dreaming if we say that this is a new concept.

We do now have a National Farm Products Marketing bill for Canada, and we have our first crop as of the first of January this year, eggs, coming under this bill, and I think farmers are going to have to feel their way through this legislation to make it serve the needs of the farm community and the consumer. I think we have a two-fold purpose here: we have to live and let live. We are primarily concerned as producers in seeing that our industry is kept in operation in a proper way so that we can do the job, and our job is to produce food so that everyone can go up to the table, once a day, twice a day, three times a day and find that there is food there in the quantity and quality desired.

Mr. Kirk: Mr. Chairman, I think it should be kept in mind that in fact, outside the sector of beef, producers on a commodity basis are very comprehensively organized in Canada today for marketing purposes at provincial levels.

Senator Sparrow: Individually.

Mr. Kirk: And therefore the NFU position says in effect that it questions the whole structure of producer organization in marketing as it exists today. It says that that is no good. But that is not the view of the producers; it is not the view of the vast majority of producers; it is not the view of the milk producer or the egg producer or the broiler producer, etcetera.

Senator Sparrow: That is really the question I wanted to ask.

The Chairman: Are there any further questions?

Mr. Howard Fuller, Member, Executive Committee, Canadian Federation of Agriculture: I should like to draw your attention to the fact that this morning we have Bill Daman with us. There are problems in the horticultural industry, which I am sure we are very anxious to reflect here this morning. I just draw that fact to your attention.

The Chairman: We have the brief, which we have read. Some of us have read the report of the committee on food prices, and so on. I am in the hands of the committee. If you wish to go on for a longer time, with other committees meeting, we can. If you want now to conclude this part of our discussion, we can go on with the next item on our agenda.

Senator Norrie: I should like to make this point. When you talk about feed grains for Eastern Canada, it does not get any further east than Thunder Bay, does it? From there on you have to pay your own shot.

Mr. Pigeon: Less the freight subsidy, depending on the region. You get more in the Maritimes than we do in Montreal. I do not know exactly how it is applied, but in Quebec I think it is about 60 per cent of the cost of transportation. I believe in the Maritimes you get more than that. I believe those are the figures. The price is always fixed at the Lakehead, and then we have to pay part of it.

Senator Norrie: The trouble is that we cannot store it.

Mr. Pigeon: There are storage facilities alongside the river.

Senator Norrie: Not in the Maritimes.

Mr. Pigeon: There are somewhere.

Mr. Boden: Why cannot you store it?

Senator Norrie: There are not any elevators.

Mr. Boden: We had to build ours.

Senator Norrie: There are not in Charlottetown.

Mr. Fuller: The storage Senator Norrie is referring to is most likely that of the National Harbours Board in Halifax. This storage was primarily built for export. I think the problem there is that it is

very difficult to get storage capacity at the appropriate time of year, and so on, for Maritime use. I think there is real concern being shown in the Maritimes at the present time, and this is part of the national program that we do have started. We also think it is a joint responsibility of the federal and provincial governments and the producers to do that.

The Chairman: If there are no further questions, I will call on Mr. Munro to make a brief statement in conclusion.

Mr. Munro: Mr. Chairman, honourable senators, the one thing that I think is exemplified in our brief, without being spelled out, is the frustration in government and farm organizations because of the proliferation of agriculture throughout the ministerial portfolios of government. This arose very sharply on our consideration of the budget, when we found that, in particular, the Minister of Agriculture was saddled with tariff cuts. I am certain the requirements under the taxation act come far short of what farmers were suggesting to him, and I think he has some sympathy for it.

The point I am making is that agriculture is covered by the agricultural portfolio; grain is dealt with by another minister; Industry, Trade and Commerce another minister; rural development another minister; revenue, and finance. That is six portfolios of government that have a very sharp influence on agriculture policy. From what I can observe in the position I hold as President of the Canadian Federation of Agriculture, I am very concerned in being

able to reflect adequately to this wide scope of ministerial responsibility within government.

I do not think this is necessarily so in other countries. In the United States they have one minister in charge of national resources. Whether or not that is good for Canada I would not know at this point in time, but the minister in the United States does hold a very powerful position within the cabinet. I believe that in the distant picture this is a problem. This is not necessarily a criticism of the ministers holding these portfolios. I only point out the way it is, and it is a problem.

We thank you for this opportunity to meet with the Standing Senate Committee on Agriculture. I think this has been a useful exercise from our point of view. I hope it is also useful from your point of view. Maybe on some future occasion we can meet with you again and continue this fruitful experience.

The Chairman: Thank you very much. On behalf of the committee, I once again thank you for having come here. I am sure that your contribution today has added to our understanding of the agricultural problems in this country. I would hope that by working together those of us who are in the Senate may be useful in making a contribution to agriculture. I am sure that Dave Kirk and your people of the Federation will keep in touch with us. We have some other projects that we will probably be undertaking in the future, and we will look to you for assistance and guidance. Thank you very much.

The hearing adjourned.



FIRST SESSION—TWENTY-NINTH PARLIAMENT

1973

THE SENATE OF CANADA

PROCEEDINGS OF THE

STANDING SENATE COMMITTEE ON

AGRICULTURE

The Honourable HAZEN ARGUE, *Chairman*

Issue No. 2

WEDNESDAY, MARCH 28, 1973

Examination of the Annual Report of the
Canadian Federation of Agriculture

REPORT OF THE COMMITTEE

STANDING SENATE COMMITTEE ON
AGRICULTURE

The Honourable Hazen Argue,
Chairman.

The Honourable Senators:

Argue	*Martin
Belisle	McDonald
Benidickson	McNamara
Côté	Michaud
*Flynn	Molgat
Fournier (<i>Restigouche- Gloucester</i>)	Norrie
Haig	Petten
Hays	Phillips
Inman	Sparrow
Lafond	Welch
Lawson	Williams

**Ex officio members*

20 MEMBERS

(QUORUM 5)

Order of Reference

Extract from the Minutes of the Proceedings of the Senate,
February 22, 1973:

“Pursuant to the Order of the Day, the Senate resumed the debate on the motion of the Honourable Senator Argue, seconded by the Honourable Senator Lafond:

That the Standing Senate Committee on Agriculture be empowered, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada.

After debate,

With leave of the Senate, and—

On motion of the Honourable Senator Argue, it was—

Ordered, That the motion be modified by substituting a colon for the period after the word “Canada” and adding thereto the following:

provided that no special expenses shall be incurred by the Committee without specific authorization by the Senate and full compliance with Rule 83A, and that all Senators shall be notified of any scheduled meeting of the Committee and the purpose thereof and that it report the result of any such examination to the Senate.

The question being put on the motion, as modified, it was—
Resolved in the affirmative.”

Robert Fortier
Clerk of the Senate

Report of the Committee

Wednesday, March 28, 1973.

The Standing Senate Committee on Agriculture, in accordance with an Order of the Senate of 22nd February, 1973, on 15th March, 1973, heard Mr. Charles Munro, President, Mr. Roland Pigeon, First Vice-President, Mr. Edward A. Boden, Second Vice-President, Mr. David Kirk, Executive Secretary, and other members of the Executive Committee of the Canadian Federation of Agriculture.

The witnesses brought to the attention of the Committee the Annual Presentation to the Prime Minister and Members of Cabinet of the Canadian Federation of Agriculture and answered questions arising thereon.

Both the representatives of the Canadian Federation of Agriculture and the Committee agreed that the meeting had been useful and that future appearances of the Federation before the Committee would prove beneficial.

Respectfully submitted.

Hazen Argue,
Chairman.

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FIRST SESSION—TWENTY-NINTH PARLIAMENT

1973

THE SENATE OF CANADA

PROCEEDINGS OF THE

STANDING SENATE COMMITTEE ON

AGRICULTURE

The Honourable HAZEN ARGUE, *Chairman*

Issue No. 3

TUESDAY, MAY 22, 1973

Study of certain aspects of agricultural
problems in Eastern Canada.

(Witnesses and Appendix—See Minutes of Proceedings)

STANDING SENATE COMMITTEE ON
AGRICULTURE

The Hon. Hazen Argue, *Chairman*.

The Honourable Senators:

Argue	*Martin
Bélisle	McDonald
Benidickson	McNamara
Côté	Michaud
*Flynn	Molgat
Fournier (<i>Restigouche- Gloucester</i>)	Norrie
Haig	Petten
Hays	Phillips
Inman	Sparrow
Lafond	Welch
Lawson	Williams

**Ex officio members*

20 MEMBERS

(QUORUM 5)

Order of Reference

Extract from the Minutes of the Proceedings of the Senate,
March 28th, 1973:

The Honourable Senator Argue moved, seconded by the Honourable Senator Lafond:

“That the Standing Senate Committee on Agriculture which was empowered by the Senate on 22nd February 1973, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada: provided that no special expenses shall be incurred by the Committee without specific authorization by the Senate and full compliance with Rule 83A, and that all Senators shall be notified of any scheduled meeting of the Committee and the purpose thereof and that it report the result of any such examination to the Senate, have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purposes of any such examination; and

That the Committee, or any sub-committee so authorized by the Committee, may adjourn from place to place in Canada for the purposes of any such examination.”

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier,
Clerk of the Senate.

Minutes of Proceedings

Tuesday, May 22, 1973.

Pursuant to adjournment and notice, the Standing Senate Committee on Agriculture met this day at 10.00 a.m. to study certain aspects of agricultural problems in Eastern Canada.

Present: The Honourable Senators Argue (*Chairman*), Fournier (*Restigouche-Gloucester*), Lafond, McNamara, Michaud, Molgat, Norrie, Petten, Sparrow and Welch. (10)

Present, but not of the Committee: The Honourable Senator Choquette. (1)

The following witnesses were heard:

Department of Agriculture:

The Honourable E.F. Whelan,
Minister;

Mr. S.B. Williams,
Deputy Minister;

Mr. W.T. Burnes,
Assistant Director, Farm Management.

Farm Credit Corporation:

Mr. A.H. Holmes,
Director, Lending Operations.

At a subsequent *in camera* meeting it was *Resolved* to print in this day's proceedings the document presented to the Committee on May 22, 1973, by the Department of Agriculture.

At 12.30 p.m. the Committee adjourned to the call of the Chair.

ATTEST:

Aline Pritchard
Clerk of the Committee.

The Standing Senate Committee on Agriculture

Evidence

Ottawa, Tuesday, May 22, 1973

The Standing Senate Committee on Agriculture met this day at 10 a.m. to study certain aspects of agricultural problems in Eastern Canada.

Senator Hazen Argue (*Chairman*) in the Chair.

The Chairman: Honourable senators, I am sure we are very pleased to have with us this morning, as our first witness on this inquiry, the Honourable Eugene Whelan, the Minister of Agriculture.

To refresh your memory, I shall read the Orders of the Day of the committee. They are:

That the Senate Standing Committee on Agriculture consider the matter of marginal, submarginal, and abandoned farm lands in Eastern Canada, noting in particular the situation in Kent County, New Brunswick, and to consider what recommendations might be useful in the interests of securing and maintaining:

1. Viable rural communities;
2. A prosperous agricultural population;
3. A progressive and expanding industry;
4. Such supplies of agricultural products as will contribute to reasonable and stable prices—an advantage to both producers and consumers;
5. Farm units of a kind and size, consistent with the above objectives, so as to maintain a large rural population.

I have been away for two or three weeks trying to organize our own farm operations out West, so Senator Michaud, who is the deputy chairman of the committee, has had the responsibility and trouble of doing most of the organizing for this meeting, in which he was helped by my assistant, Mr. Chambers.

Without further ado, I just want to say to the Minister of Agriculture that in the Senate—where things are quiet, but where we are hard-working—we have established a new Standing Senate Committee on Agriculture, the first the Senate has had for 40 years. We hope to play a useful role in promoting the interests of agriculture, and we are delighted to welcome you, as Canada's Minister of Agriculture, to open this inquiry.

Honourable Eugene F. Whelan, Minister of Agriculture: Thank you, Mr. Chairman.

Honourable senators, I should first like to introduce to you the officials who are here with me today. On my immediate right is Mr. Williams, the Deputy Minister of Agriculture, whom I am sure most of you know. Next is Mr. Walter Burns, the Associate Director of the Farm Management Division, Economics Branch, Department of Agriculture. Also present is Mr. Al Holmes from the Farm Credit Corporation.

Mr. Chairman, I may not be able to stay as long as I would like to, because a special Cabinet meeting has been called for this morning. I have been on the road since six o'clock this morning, so if I do not appear as bright as I should, that is partly the reason.

I congratulate you, Mr. Chairman, and the Senate for setting up this committee. I think there is certainly a wide area in which you can make a big contribution to all of society in Canada, because if you are contributing to agriculture and improving it, you are making a better way of life for all Canadians, and many other people in other parts of the world.

I have a short statement to make. It is mainly on what we feel is the potential of Kent County in New Brunswick. You already have the background paper, dated April 5, on the agricultural situation in Kent County, New Brunswick.

Agricultural areas with difficult problems are to be found in every region of Canada. In general such areas are characterized by small size, restricted land capability and indifferent climate. They tend to be a considerable distance from adequate farm services, processing facilities and markets. Farmers, in these areas, have been unable to adapt to the new farming methods and as a result, they are at an extreme competitive disadvantage in the Canadian comparison.

Kent County in New Brunswick appears to be typical of such areas. Perhaps by examining the agriculture of this county, under a microscope, the problems of most such areas will be brought into the open.

There are 80,000 to 90,000 acres being farmed in Kent County, mainly in livestock production. Approximately 40 per cent of this area is classified as improved land for agriculture. According to the Canada Land Inventory, the total area of land suitable for arable use in agriculture is 801,000 acres, 340,000 of which is in capability rating 3. There is no land in capability classes 1 and 2. This means that all lands have moderately severe limitations restricting the range of crops, or that the soils require special agricultural practices. Most of the area now being farmed represents the best lands available. Nevertheless, there is a potential for expanded agriculture based on the land resource.

There are 401 farms in the county, according to the 1971 census. Of these, only 18 per cent sell more than \$5,000 worth of

produce. This compares to 21 per cent for the province as a whole and for the Maritime region. From 1966 to 1971 the number of farms in Kent County decreased by 49 per cent, compared to a decrease for the province as a whole of 37 per cent.

Since 1941 the potato acreage in the county dropped from 3,500 acres to less than 200. During the same period, the provincial acreage increased considerably, mainly in Carleton, Victoria and Madawaska counties.

The soils being farmed are responsive to lime and fertilizer and with good management can be productive. The growing season is sufficiently long for a range of crops. Experience to date suggests that major production to which the area is adapted or has a natural advantage is meat, milk, potatoes and certain vegetables and small fruit. Within the region there are good markets for these products. For meats, especially, the regional production falls short of the demand, being approximately 40 per cent of the consumption.

Despite the apparent agricultural potential in this area, Kent County farmers have not been able to develop satisfactory incomes from farming. This is undoubtedly associated with many factors, among which could be listed the size of operation, instability and inadequacy of return, and alternate opportunities. Many who in the past would have become full-time farmers are now engaged part-time in many other pursuits, instead of developing viable farms. In other words, there is a scarcity of potential producers with interest, motivation or training to take advantage of opportunities which exist. It is obvious that many adjustments would have to be made if agriculture were to become a viable enterprise in Kent County as a whole. Sufficient technological information is available. Our Small Farm Development Program will provide some leadership to those who do want to direct their efforts to agriculture. Under this program assistance is offered to the developing farmer under the special credit. This provides that he may expand his land base, under an agreement of sale, with a down payment of \$200. Under this program he need not risk his present holding as a result of a mortgage undertaking. There is evidence that many small, low-income farmers in Kent County can and should benefit in this manner. In addition, the program offers an assistance grant to the farmer who wishes to retire from agriculture and sell his land. This grant is in the amount of \$1,500 plus 10 per cent of the value of his farm to a maximum of \$3,500. In addition to assisting the vendor farmer, it will also exert a downward pressure on land prices, and thereby help the developing farmers. It is expected this program will stimulate the land market, particularly in areas of predominantly small low-income farms and lead to the development of larger farms and adequate incomes.

In addition, many other activities will be required to stimulate and assist farmers of this area. These will include the provision and acceptance of credit, a strong extension service, adequate processing facilities, and a satisfactory marketing structure. Given that the people of Kent County sincerely want to develop opportunities in agriculture, the joint assistance of the federal and provincial governments can be made available through ARDA and other continuing programs.

Mr. Chairman, that is the short statement I have on this part of Canada. As I stated, it pertains to many other areas in Canada which

may not be identical but which have many things in common with Kent County in New Brunswick.

The Chairman: Before I call on Mr. Michaud formally to open the questioning, I wonder if I might pose one question in very general terms. I should like you to give us your own general feeling, Mr. Minister, your own general comments on the outlook for agriculture, the role increased production might play, and whether or not you feel that there are farms in Canada, marginal or submarginal, that may have a better chance to be viable under present or future agricultural conditions. In other words, are we going about something in which there may be a real future for farms in that area?

Hon. Mr. Whelan: If we check the number of people who are leaving agriculture, and if we check the need for certain agricultural products in the world and in our domestic market, it is clear we should be making sure that all potentially productive land in Canada is made productive. Those engaged in agriculture and who want to stay in agriculture, even some who wish to enter agriculture and have a desire to become agricultural producers, should be given an opportunity to do so. We are going to need them, whether or not we recognize that need at the present time.

At the same time as I am stating this, I would state also that the program must be one which provides incentives for the farmers to produce and which also guarantees them a proper economic return, so that they will not fly into this field and fly out of it just as quickly because the economic forces force them out of it. Some stability must be provided for this venture in which we are asking them to participate.

I still feel very strongly that an independent family operation is by far the best. Let anyone check production of any other country, and if they can find in any other country a better kind of operation I would be willing to listen and to try to put that same operation into effect in Canada, or give leadership to that end. I know of no other farm operation in any other part of the world that is as productive as our family farm.

There used to be a philosophy that the family farm had to be one of 50 or 100 acres. This is not so in certain operations today. There could be only five acres of greenhouse farming, or 10 acres of a poultry farm. That is a different kind of operation from that of Western Canada. Some senators from Western Canada—such as yourself, Mr. Chairman—know that a family can operate 3,000 acres, if they want to do so, and can do it efficiently. It all depends on the type of operation they are involved in. This is what I mean by a family farm.

The Chairman: Thank you very much, Mr. Minister. Senator Michaud is from Kent County and understands the economic problems pertaining to that region.

Hon. Mr. Whelan: Excuse me, Mr. Chairman, but you said that you had been away for three weeks. I thought that perhaps Senator Michaud had been away for three weeks planting potatoes.

The Chairman: Oh, he has others doing his work.

Senator Michaud: Mr. Chairman, the first question I would like to put to the minister is this. In your opening remarks—and this matter was also included in the factual report presented the other day—you say that there is no land in capability classes 1 and 2. What are classes 1 and 2 concerned with?

Hon. Mr. Whelan: I will ask Mr. Burns to deal with that question.

Mr. W. T. Burns, Associate Director, Farm Management Division, Economics Branch, Department of Agriculture: Mr. Chairman and honourable senators, the term “capability classes” refers to the Canada Land Inventory for agriculture, in which all land is grouped in seven categories. The first four are considered agricultural land suitable for arable use or cultivation. Number 1 is the very best land we have in Canada, number 2 is good, number 3 is still very good land, and number 4 is getting down to the doubtful category. That is the classification, in very general terms.

Senator Michaud: Thank you.

Hon. Mr. Whelan: You can see that there is a lot of land that is fairly good.

Senator Michaud: Mr. Minister, in your report, in speaking of small sized farms, and as applicable to Kent County particularly, you say that these small farms “tend to be a considerable distance from adequate farm services, processing facilities and markets.” I do not know to what extent this would apply to Kent County.

Kent County is at the doorstep of the city of Moncton, which is a distributing centre and the second largest city in the province. I really do not think that that would be one of the reasons why the small farms of Kent County are having the difficulties they are presently encountering. It would not be because of market location, because we are centrally located. So, in that regard I do not think that would apply to the situation as it exists in the Kent County.

Hon. Mr. Whelan: That was just a general statement, Senator Michaud; I was not referring specifically to that area. I said that that was a thing that was happening in many areas. You will notice that I went on further to say that in terms of potential the area of Kent County does not seem to develop satisfactory incomes, et cetera, for the farmers in that area.

I met with the manager of the Maritime Co-operative Services, Mr. Willard Denier, and we had quite a discussion about this last week, about why they are not producing more of their meat products, et cetera, in the Maritimes. You know, their mixed feed for hog growing, broiler growing, is not much different in price from that right here in Ontario, and yet they are much more deficient in meat production than they are in some of the other provinces which do not produce all their own grains.

We are also making a study of the land in that area so far as grain producing potential is concerned.

We have a LIFT program—I used the terminology “LIFT program” on a certain TV show last week, and I meant the grassland incentive program that we have in western Canada for growing this type of crop—and consideration is being given to the possibility of

having a forage incentive program, a grain incentive program, possibly for the Maritime provinces.

In Kent County at the present time there are 86,000 acres actually under cultivation and, according to the information I have been given, there is a tremendous potential for productivity in that area. So it is hard to figure out why there are these difficulties at the moment. For example, in Nova Scotia there is a surplus of egg production at the present time, I suppose because some “eager beavers” got into the business of egg production in Nova Scotia. They are now exporting eggs—if I should use the terminology so loosely in our federation—they are now exporting eggs to New Brunswick and, I believe, even into the province of Quebec.

The manager of the Maritime Co-operative Services was not full of answers, any more than a lot of other people are, on why this potential is not being used. This is why I am hopeful that this committee can come up with some even better suggestions than those which have already been presented to us with respect to aiding the development of agriculture in this area.

Senator Michaud: Mr. Chairman, agriculturally speaking, certain specific conditions exist in Kent County which I feel should be underlined at this time, because they are peculiar to Kent County. At the present time the farmland is under severe strain, not, unfortunately, by farmers but by lumber operations. At the same time as there seems to be a trend for farmers to move away from farms at present, the lumber companies are moving on to that land.

Hon. Mr. Whelan: In order to plant trees?

Senator Michaud: Right. They are buying farmland at prices anywhere from \$10 to \$15 an acre. I think the price has even gone as high as \$20 an acre. They buy the land without giving consideration to selection or quality of the land. According to these reports we have in front of us this morning, there are seven classes of land.

Hon. Mr. Whelan: Yes, that is right, there are seven classes.

Senator Michaud: What I am concerned about is salvaging the remaining 86,000 acres of good land. I am forced to say that those 86,000 acres of good land are in jeopardy at this time in Kent County.

Hon. Mr. Whelan: You refer to the land being presently farmed, but we estimate that there are 340,000 acres of land which are capable of a class 3 rating at least. There are 86,000 acres being farmed at the present time, and you are worried about those 86,000 acres.

Senator Michaud: I am.

Hon. Mr. Whelan: You do not think, then, that they should be planted in trees?

Senator Michaud: There should be a selection made. That is my feeling. The poor quality land, the lower classes, say, classes 5, 6 and 7, would be better used for planting trees than for farming, perhaps.

Such land might not be productive enough or might not be of good enough quality for farming, but I repeat that my concern is about the quality land, because these lumber companies want the quality land.

Mind you, the lumber companies must look after their own interests; we cannot quarrel with them in that respect. Nevertheless, it is our responsibility, as farm people, to see that that land is preserved for farm production; and at the present time that is the land that these lumber operations are looking for. Naturally, good quality land is more productive and will grow trees faster, and for that reason will bring a faster return.

Hon. Mr. Whelan: For pulp purposes, you mean.

Senator Michaud: Yes, that is right. Again, I say I have no quarrel with the poor quality land being used for the growth of trees, but I do worry very deeply about the good land being bought up for lumber purposes. I stress that there should be a selection, but no selection is being made at all.

No earlier than last week I went through a settlement consisting of about 15 people, and right in the centre of that settlement the land had been sold for reforestation purposes. The people of the settlement are in an uproar.

Hon. Mr. Whelan: Does the province not have a land use program at all?

Senator Michaud: I am afraid not. There is no concern or control over this situation where land is being bought freely, without any impediment whatsoever, by the lumber companies for the transplantation of trees.

Hon. Mr. Whelan: According to the information I have, land rated at No. 3, which would be fairly productive agricultural land, is selling at \$15 to \$20 per acre. This being so, do you not feel that the Small Farms Program that we have should be of some advantage? Are they using that program at all, because they can get up to \$25,000 worth of land under this program, you know. Aren't there any people in that area who would want to participate in this program at all? Are they pushing the program in that area at all?

Senator Michaud: Another aspect of the problem is that with respect to all these programs that are being formulated and announced by the various levels of government, both federal and provincial, there is not sufficient explanation being given to the people themselves. No doubt some of those programs would be very beneficial and excellent programs for the areas involved, but they are not well enough explained.

Hon. Mr. Whelan: You mean that there is not a sufficient educational job or public relations job being done?

Senator Michaud: That is right. In that respect there is a serious lack.

Now, coming back to the situation which I have just indicated, there was one farmer who was ready to buy a farm from another

farmer. He even went so far as to go to the manager of a lumber company who also wanted to buy it, but no, the owner would not sell it to the other farmer, but would rather sell it to the lumber company.

He had another farm in another place which he also wanted to sell but which was not as good as the first one. He was afraid that perhaps if he just turned over the good farm to the other farmer for agriculture then he would lose the sale of the second one which was in a more remote section. Therefore, to protect himself in that regard, he sold everything for reforestation. It created a very unfortunate situation in that settlement, because, as I have indicated, in 20 years from now these farms will be standing behind a grove of trees along the highway.

The Chairman: Perhaps there should be some method of getting the land back from the lumber company.

Senator Michaud: Well, the method I had in mind was that at the present time there should be some control to decide which land should be available for reforestation and which should be reclaimed for agricultural production.

Hon. Mr. Whelan: That is what I meant, Mr. Chairman, when I said that in connection with land use programs some of the provinces have advanced quite extensively.

Senator Norrie: Is there a labour problem?

Senator Michaud: I think the report that has been made comprehensively covers the whole gamut of the situation. The economic problems of Kent County are rather grave. To all intents and purposes, there is no longer any farming done in Kent County. In my view, Kent County is one of the biggest rural areas in the whole of Canada; it is in fact 90 per cent rural. This situation was stated very clearly in an editorial in the *Moncton Times* of April 16 which ends with the following words:

A program of aid to keep farm folk in business and to foster a return to the land on the part of others wouldn't solve all the problems of such areas as Kent County or Northern New Brunswick. But every little helps and if people could be helped to do what they enjoy doing, and profitably at that, then it is worth looking into.

Since the area is, as I have already said, 90 per cent rural, where are the people to go? What happens is that they leave in droves and they are lost to the country altogether. Now, if this situation were to arise in the province of Quebec, the people could go to Montreal to look for work, and in Ontario they could go to Toronto—

Hon. Mr. Whelan: Or to Windsor!

Senator Michaud: —or to Windsor. But in New Brunswick where do they go? There is no place for them to go, so they have to leave the country altogether. The result is that you will find more Acadian people—and I say that because Kent County is 85 per cent Acadian—in the New England States than you will find in Kent County itself. In the period between 1921 and the 1940s the net

loss of population through migration amounted to 61 per cent of the total population. That is the highest in Canada. Needless to say, I am not at all happy about it.

Hon. Mr. Whelan: I still think that the Small Farms Program has quite a lot to offer, particularly in areas such as Kent County, and other similar areas in Canada, having regard to land values and other things of that nature. We signed this agreement with New Brunswick last October, so now it is just getting off the ground. There is a counselling service provided by the province and by the Farm Credit Corporation. I feel that we could possibly expand on our PR in this area because I feel very strongly that it is a program that we could use to good advantage in areas such as this.

The Chairman: Has the Farm Credit Corporation any fieldmen who go out and talk to the farmers? I ask this because while it may be a great program, unless there is somebody going through the community to talk to the farmers, they won't even know that it exists.

Hon. Mr. Whelan: Well, as I have just said, it is getting off the ground, and people are just now expanding on the information programs.

The Chairman: Will you have anybody doing this kind of work?

Hon. Mr. Whelan: In certain areas, if the demands are there, we will provide more people as time goes on. We have made a survey of what is needed to start the program off in the province of Saskatchewan, if we were working completely by ourselves in that province. But some other province have expanded much more rapidly in this field than others. In Alberta they received several hundred applications, much more quickly than they ever thought they would, from people who wanted either to sell or buy through the program. They have already had a thousand sales that have been finalized or applications waiting to be finalized under this program.

Mr. A. H. Holmes, Director, Lending Branch, Farm Credit Corporation: It is somewhere around 800.

The Chairman: It has been suggested to me that one of the questions that may be causing problems in this area is the lack of sufficient services in the French language to the people in Kent County. The program may be there, but unless it is available in the French language and unless you have people going into that area who can converse with the people in French, you are not likely to have any great success with it.

Hon. Mr. Whelan: I will ask Mr. Holmes to explain how many of our people are bilingual.

Mr. Holmes: Well, referring particularly to Kent County, Senator Michaud will probably know that Edmund Bourgeois is there. In fact, I telephoned him this morning to ask him about small farms specifically. He has also appeared many, many times on French language television. He works out of Moncton, and he goes through that area and also works with the agricultural representatives of the provincial authorities there. He is bilingual.

Hon. Mr. Whelan: But the whole program has been explained in both languages.

Mr. Holmes: Oh yes, this has been done to the best of our ability.

The Chairman: And I think you said that he is located in Moncton?

Mr. Holmes: Yes; and then in Grand Falls we have another bilingual man.

Hon. Mr. Whelan: How many Farm Credit people do we have altogether in that area?

Mr. Holmes: The area covering Kent County?

Hon. Mr. Whelan: Yes.

Mr. Holmes: Only Mr. Bourgeois who covers Kent County and some other areas on the east coast. We have other people in the office in Moncton who are bilingual as well, but he is the only fieldman there. The other fieldman works around the northern part.

Hon. Mr. Whelan: Are the offices open five days a week in Moncton?

Mr. Holmes: Yes.

Senator Lafond: Mr. Chairman, the minister hinted at this in his statement, but I think it might be a good idea to put it on record. He says:

Since 1941, the potato acreage in the county dropped from 3,500 acres to less than 200.

This would appear to indicate that there is only one potato producer left in the county—and he is a member of this committee.

The Small Farm Development Program has intrigued and interested me since its inception. In my opinion it was a most laudable initiative and can, indeed, be a very valuable instrument for the development and maintenance of agriculture in this country, more particularly so in a situation such as that presented to us with respect to Kent County. Lately the publicity and public relations aspect of this program has been mentioned. My understanding is that these programs result from agreement with each province. Where does the primary responsibility rest for the publicizing and public relations? Is it federal, provincial, or a shared responsibility?

Hon. Mr. Whelan: Mr. Williams informs me that it is a fifty-fifty arrangement with respect to the counselling services. In the event that the federal government participates to 50 per cent of the funding it will provide 50 per cent of the personnel. A joint committee deals with publicity both federally and provincially. An advisory group to the provinces has been established in this area which also advises the federal department as to programs it considers should be initiated and encouraged.

Mr. S. B. Williams, Deputy Minister of Agriculture: To supplement that, I would like to point out that at the present time we are mounting quite an extensive program in those provinces which have signed agreements. Frankly, our problem has been that we do not wish to proceed with extensive publicity until all necessary personnel and facilities are in place to handle applications. The agreement was signed last fall, in late October. We are really just staffing up at the present time, or have been during the winter. However, we do have within our own information division a country-wide publicity program related to the total operation of the Small Farm Development Program. Although we are working in co-operation with the provinces, this will be largely centred in our own information division. I am only repeating myself, but our concern was that we did not wish to proceed with publicity for the program until such time as we were able to deal with all applicants.

You gentlemen will appreciate that as yet we do not have signed agreements with all provinces. This is another factor which has possibly slowed up the information process somewhat. We had hoped that by now all provinces would have entered an agreement, which would be in effect everywhere so that national publicity could be put forward. It is difficult to mount a campaign on a provincial basis if some provinces are missing in between. However, we are not waiting any longer and will proceed with a provincially-oriented program.

Senator Sparrow: With which provinces are you still negotiating for a co-operative program?

Hon. Mr. Whelan: Saskatchewan, Manitoba and Quebec. We are still negotiating with Newfoundland, but it will not be so great a program in that province because its agriculture is not so extensive.

Senator Sparrow: Digressing for a moment, Mr. Minister, I understand, you made a statement a week or two ago pertaining to the Saskatchewan plan, which connects with the publicity aspect. You stated that if you did not reach an agreement with the province on a co-operative basis the federal department would proceed on its own.

Hon. Mr. Whelan: That is right.

Senator Sparrow: Have you perhaps made a statement of which I am not aware, or are your plans finalized in that regard?

Hon. Mr. Whelan: No; the Minister of Agriculture for the province of Saskatchewan submitted a counterproposal. I believe he called my office on Friday and, of course, yesterday was a holiday and all offices were closed. I therefore do not know what stage has been reached now, but we just cannot continue negotiations, as far as I am concerned, hours or days longer. There is a great demand in Saskatchewan for this program, and we have been preparing to proceed on our own in the event that we cannot come to an agreement with the provincial authorities. Our negotiations are very—what should I say?—

The Chairman: At a sensitive stage?

Hon. Mr. Whelan: At a sensitive stage. We must either go ahead together, or we must proceed on our own within the next couple of days.

Senator Lafond: I wonder, for purposes of this study, whether the details of the agreements signed between the provinces could be tabled before the committee?

Hon. Mr. Whelan: Yes, of course.

Senator Molgat: Mr. Chairman, I presume it is in order to continue with the subject of the Small Farm Development Program, although my question will not relate only to Kent County.

The Chairman: Yes.

Senator Molgat: Mr. Minister, the federal instrument for the handling of this is the Farm Credit Corporation?

Hon. Mr. Whelan: That is right, Senator.

Senator Molgat: Are there variations within the provinces?

Hon. Mr. Whelan: There are small variations which we have agreed to make in order to suit particular situations in each province because we recognize that the agricultural production is not the same throughout the provinces. We range from \$20,000 to \$30,000 in the sums allowed for the purchase of farms. The figure for New Brunswick, for instance, is \$25,000; that for Ontario is only \$20,000; and for Alberta it is \$30,000. We suggested \$30,000 also to Saskatchewan.

Although the amounts vary, we have stated that they must remain as similar as possible. There can be no tremendous variation away from the program or it will not be the same program offered to one province as to another. We have, however, made slight variations in order to arrive at agreements. We have made the same offer to Saskatchewan, Manitoba and Quebec. With respect to the province of Quebec we are not very far apart, there remaining only one small technicality to be settled before the agreement is signed. We could possibly say the same with respect to Manitoba, where there may be one or two matters to be settled.

Senator Molgat: Upon conclusion of all these agreements will the details arrived at with each province be made available to us?

Hon. Mr. Whelan: That is right; government business is public business.

Senator Molgat: Is there a cost-sharing element with the provinces?

Hon. Mr. Whelan: Mr. Williams may correct me, but I am only aware that with respect to the counselling service, if we provide 50 per cent of the funds we provide 50 per cent of the personnel. If we provide no personnel, we provide no funds. Should the province desire to provide all the counselling service, they pay for it themselves.

Senator Molgat: Are the provinces permitted to provide all the counselling?

Hon. Mr. Whelan: That is right.

Senator Molgat: But you provide all the funds through the federal instrument.

Hon. Mr. Whelan: We provide no funds for counselling services.

Senator Molgat: But you do for the purchasing.

Hon. Mr. Whelan: That is right.

Senator Molgat: The funds for purchasing and the additional grants for those who wish to sell are, however, purely federal funds?

Hon. Mr. Whelan: That is right.

Senator Molgat: Why, then, are the funds not handled solely by the federal department?

Hon. Mr. Whelan: Because we believe in provincial-federal co-operation. It also lessens duplication of services and should make the program more efficient.

Senator Molgat: From my experience, though, Mr. Minister, I have found that with respect to these joint programs the participation of the federal government is completely forgotten. This raises a consideration in so far as the whole Canadian scene is concerned. If the federal government is purely interested in national defence, external affairs and areas which do not directly affect people, very soon the federal government becomes an instrument which is unrelated to Canadians, which seems to be the case here.

Hon. Mr. Whelan: Are you saying that the provinces do not wish the federal presence in these programs to be known?

Senator Molgat: Certainly, speaking for my province, I find that with regard to any federal program we must look very, very deeply to discover federal participation.

Hon. Mr. Whelan: And you would be more in favour of greater strictly federal programs in the field of agriculture?

Senator Molgat: Certainly, if the federal government provides the money, that should be made clear.

Hon. Mr. Whelan: I know that you were a member of the Joint Committee on the Constitution. Can you give me any indication as to how far I could go in agriculture under our Constitution?

Senator Molgat: There are some limitations, admittedly, but in this program . . .

Hon. Mr. Whelan: You did not answer my question: How far could I go?

Senator Molgat: Certainly, the process could be followed through by use of the Farm Credit Corporation. I think there is a joint concern there and that the federal government has, under the Constitution, the right to legislate in agricultural matters. I might add that part of my reason for being concerned about this is the very fact that I am also on the Constitution Committee.

Senator Sparrow: Are there not, in fact, programs now that are better on the non-co-operative . . .

Hon. Mr. Whelan: I will have Mr. Williams explain this program on the money aspect. We are not really giving them any money under this program. Mr. Williams can explain the technical details of it.

Mr. Williams: Mr. Chairman, if I might say one word, this differs greatly from most federal-provincial programs, in that it is a shared program with each of the participating parties paying for and performing their agreed sector of it. Under no conditions are federal funds used to pay for provincial people, to pay for provincial operations. Let us take, for example, the vendor grant. The vendor grant is paid for entirely by the federal government—that is, the grant up to \$3,500—and is administered completely by the Farm Credit Corporation.

Regarding the counselling service, if the federal government does it, the federal government pays for it and it is done by federal people. If, on the other hand, the agreement with the province says that the provincial people are to do it, it is paid for by the provincial people. In the province of Alberta and in the province of New Brunswick, for example, it is a joint program. I am referring to the counselling. There the provincial people supply half of the counsellors. They pay them. They are provincial civil servants. The federal government provides half of the counsellors, and they are federal civil servants. So it does differ somewhat from some other types of cost-sharing programs in which the provinces and the federal government are involved; but in this one the concept is that the part of the program that, it is agreed, either jurisdiction will carry on, is not only financed but is also operated in its entirety by that particular jurisdiction.

Senator Sparrow: There is not a constitutional problem as I see it. Is that what the minister is saying? Did you see a constitutional problem?

Hon. Mr. Whelan: No. I knew that Senator Molgat was a member of the Constitution Committee. I thought he might be able to give me some new ideas on making agriculture a total federal responsibility.

Senator Sparrow: You have to have the co-operation of the provinces because of the constitutional problems—did you say that?

Hon. Mr. Whelan: No, I did not say that. Senator Molgat was intimating that we should do more federally. I was asking him if he knew of any obstacles constitutionally that we might run into by having a total federal agriculture program, or something like that—supposedly.

The Chairman: If I might interrupt as chairman, I think the crop insurance scheme, as it is set up in Saskatchewan, is a prize example of the federal government paying half the premium, the farmers paying the other half, the province administering it, and the federal people and the federal taxpayer getting almost zero credit for what is being done. The farmers do not know that the federal government is making a contribution; they just do not know. I questioned our local salesman very, very severely and he was not in a position to say whether there would be an increased contribution from the federal government.

Hon. Mr. Whelan: There will not be unless the opposition agrees to pass the legislation.

The Chairman: But he did not even know that it was coming.

Hon. Mr. Whelan: It is certainly not my fault, Mr. Chairman, because I have been telling them. I have been out West often enough, and I have been making press releases and telling them about all the great things that we are doing and proposing to do for agriculture. We have made many press releases telling people to buy crop insurance in Western Canada—and all of Canada, as far as that goes. I might mention that New Brunswick has not seen fit to initiate crop insurance.

Senator Molgat: Why not?

Hon. Mr. Whelan: It is still their best buy. I think a lot of them have taken our advice, if we can go by the sales this year. Crop insurance has increased tremendously. We are happy about this. It is not as great as we would like to see it, but it is pretty near double what it was last year, and in many areas it is very, very good. It has been brought up in the legislatures, according to the records, and they have said they are going to go ahead with the program and pay 50 per cent of the premiums whether our legislation is passed or not. They have all called me on the telephone, and I have repeatedly told them that I think the members of the committee in the house are realistic enough to make sure that this legislation is passed before the house recesses for the summer.

I know they are working out their budgets along that line. I am told by the members of the committee that as soon as they finish the agriculture estimates—and they are proceeding rather rapidly, which is very good, as far as I am concerned—they will handle crop insurance immediately.

I am not saying that I am totally satisfied with the crop insurance program. I have made the statement many times that I would like to see a more realistic crop insurance program, a program that would be more acceptable to farmers in Canada and more along the lines of true insurance. We will be discussing this with my provincial counterparts in July.

Senator Norrie: Is there any age limit placed on the grants that the farmers in Kent County can receive to enlarge their farms?

Hon. Mr. Whelan: No.

Senator Norrie: No age limit?

Hon. Mr. Whelan: Do you mean the one selling the farm or the one purchasing it?

Senator Norrie: Purchasing it.

Mr. Williams: If they are borrowing the money under the Farm Credit Corporation, the normal Farm Credit rules apply. In other words, the program itself does not put up the money for them to borrow. The program subsidizes or gives a vendor grant to the vendor of the farm. If the Farm Credit Corporation feels that it is appropriate, they are authorized to purchase that farm. They are using their own funds and, of course, that is their own credit funds. They can then sell it under an agreement of sale to the farmer in question. I would ask Mr. Holmes if he can give us the figures. You have the New Brunswick agreement with you, I believe, do you not—

Mr. Holmes: Yes.

Mr. Williams: —about farmer eligibility for special credit? In other words, the farmer who wishes to buy a farm that comes up under this Small Farm Development Program can find the credit any place.

Senator Norrie: No matter what he receives?

Mr. Williams: No, I did not mean that. He can use his own money. He could get money from the bank, or he could get it from the Farm Credit Corporation. If he gets it from the Farm Credit Corporation direct, then the normal Farm Credit Corporation rules apply; in other words, if he just borrows the money to purchase it. If he gets it under an agreement of sale, is there, in the province of New Brunswick, any difference in the age limit?

Mr. Holmes: No, there is no age limit at all, sir.

Mr. Williams: So it is the same as a normal Farm Credit loan?

Mr. Holmes: Yes, with one exception. We have a special type of loan which we call a Part 3 loan, whereby we lend not only on the security of land but on chattels. In that particular type of loan the age limit is 45 years, but that is for a loan under the Farm Credit Act, where we are lending on land and chattels. Other than that, there are no age restrictions, except that the man must be 18 years of age. As far as small farmers are concerned, I do not have statistics here, but I heard Mr. Day say the other day that in Alberta, where it is operating, of the people that got credit, the youngest was 18 and the oldest was 58, with an average age of around 36.

Mr. Williams: I am afraid, Senator Norrie, that I have not made myself clear on this point. The program consists of two major parts. One is what we call our vendor grants. Under it, if a farmer wishes to leave farming—and we will take the province of New Brunswick as an example—and his total assets, in terms of farming, consist of not more than \$25,000, he is eligible for a vendor grants. That grant is calculated by adding 10 per cent of the value of the farm, up to a maximum of \$20,000 to a basic grant of \$1,500. Let us say the farm is worth \$15,000, for example. He would get a basic grant of

\$1,500. In addition to that, he would get 10 per cent of the value of the farm, which is another \$1,500, so the vendor would get \$3,000. He would also, of course, be able to sell the farm and realize \$15,000 in the farm. He could sell the farm to anyone he wishes in New Brunswick.

In the case of a small farm, which is defined as land and buildings of a value less than \$60,000, the purchaser can apply to the Farm Credit Corporation for special credit. Under this special credit arrangement he, in effect, can get the use of that land, basically, on a trial basis for a period of five years by making a down payment of \$200. He need not mortgage any of his other assets in order to obtain it. Under that arrangement he does not prejudice any of his current holdings. This is the type of arrangement we refer to when we speak of the special credit arrangement. Under that arrangement the Farm Credit Corporation, in fact, purchases the farm from the vendor. The Farm Credit Corporation gives him this grant and enters into an agreement of sale with the potential purchaser. As I said, to qualify for this special credit the value of the land and buildings must be less than \$60,000. In other words, the purpose of this program is to assist those who wish to leave farming and, wherever possible, to make that land available under the easiest possible terms to people with land and buildings valued at less than \$60,000 and who wish to expand.

Presumably, if the farm has a greater value than \$60,000, the farmer can go to the Farm Credit Corporation and borrow money in the normal way, putting up the rest of his farm, or whatever portion is needed as mortgage against the loan. In other words, in the case of the larger farm, the farmer enters into a normal loan transaction bringing into effect the same age limits and everything else that applies.

The Chairman: But the vendor would still get the grant?

Mr. Williams: The vendor would still get the grant, yes. We are trying to emphasize the need to help the developing farmer, and we define him under this program as a person holding land and buildings of a value less than \$60,000. That is an arbitrary definition and it is uniform throughout Canada.

As Mr. Whelan mentioned earlier, the sizes of farms vary from province to province. The maximum grant, however, is the same in all provinces. Alberta, for instance, has a \$30,000 maximum eligibility figure. The maximum on which he can get a grant, however, is \$20,000. So that the maximum grant payable anywhere, as Mr. Whelan pointed out in his opening statement, is \$3,500, irrespective of the limit. Because the average size of farm varies from province to province, some of the provinces wished to bring farms of a somewhat higher value under the program.

Senator Molgat: But it does not change the federal contribution?

Mr. Williams: It does not change the federal contribution to the farmer.

Senator Norrie: Has there been a survey taken in Kent County with respect to the age of the owners of these farms?

Mr. Williams: That information appears on page 9 of the brief. There is a comparison made in that respect between Kent County and the rest of New Brunswick, as well as with the Maritime provinces in total. It shows the farms classified by age of operator in 1971, which was the census year.

Do you wish me to read those figures?

Senator Norrie: Perhaps you could, just to give us a general idea.

Mr. Williams: Of the 401 farmers in Kent County, approximately 60 per cent are under 54 years of age, which means 40 per cent, of course, are over that. Approximately 10 per cent of them are over 65 years of age, and approximately 15 per cent are under 35 years of age.

Without analyzing the figures in detail, it does not look as though it differs greatly from the Maritime average.

Senator Fournier (Restigouche-GloUCEster): Does the farmer have to be a full-time farmer in order to obtain credit from the Farm Credit Corporation?

Hon. Mr. Whelan: Mr. Holmes can correct me if I am wrong, but if he receives more income from his part-time occupation he is not eligible for credit from the Farm Credit Corporation. His main source of income must be from farming.

Mr. Holmes: That is correct.

Senator Fournier (Restigouche-GloUCEster): And is that the general rule across Canada? The provinces have no special arrangements whereby they provide special credit to part-time farmers?

Hon. Mr. Whelan: We have no special programs covering part-time farmers. Ontario did have a Junior Farm Loan Program which contained a clause to the effect that if the part-time farmer intended to become a full-time farmer he may obtain a loan. A good many young farmers whose principal occupations were other than farming obtained loans from the Junior Farm Loan Program under that clause, and some of them went on to become full-time farmers.

I do not think many people want to remain part-time farmers. Economics, generally, forces them to be part-time farmers.

The Chairman: Do you intend to change it?

Hon. Mr. Whelan: We have asked for suggestions from farm leaders, provincial governments, and so forth, as to how we can make our farm loan organization more suitable, more practical in some instances than it is, and we are reviewing those suggestions. I do not know at this time when we will come up with a program, but we are hoping to come up with something.

Mr. Williams: Mr. Chairman, I think it is fair to say that while the rule is that he must be a full-time farmer, in administering the program the Farm Credit Corporation interprets it in such a way that if after the loan he is estimated as being such that farming will then be his major source of income, he is not rendered ineligible

simply because of his position before the granting of the loan. In other words, every effort is made to bend in the direction of assisting those people who wish to become full-time farmers.

Senator Norrie: It seems to me that one representative speaking French is not enough to make 400 farmers well acquainted with this program and the advantages of it.

Hon. Mr. Whelan: Of course, not all of them would be demanding use of the program.

Senator Norrie: But if they are in as bad a way as they say they are . . .

Hon. Mr. Whelan: There would be others, if I am not mistaken. There would be some provincial people versed in this program also. We have one federal representative who is completely bilingual, and we have others on the office staff who would be familiar with the program.

There is only one Farm Credit representative to serve the County of Essex, which is my home county. There are several thousand farmers in that area. They do not use the services at all times, but the program is well publicized. Of course, the Small Farms Program in my area is of very little use because the value of land is so high. I should think that one man who is knowledgeable in the field and who has a good staff would be quite adequate and, of course, there is the provincial representative.

Senator Norrie: They are in a terribly depressed condition. They need an awful lot of talking to; they have an awful lot of fear.

Hon. Mr. Whelan: I agree this is possible. I have been a strong proponent of the idea that we probably should have more field men who could talk to these people, counsel them, and even make suggestions to them. I do not think we should ever be in the position of saying we should force them to do anything; rather, we should use persuasion in a proper way to enhance our position and to enhance agriculture in Kent County. This is what I intimated when I made my opening statement, that we would welcome any suggestions your committee could come up with that would be productive and usable.

Mr. Holmes: I may have left a misapprehension with the committee. I was talking about our Farm Credit man who is there. There will be federal counsellors, and counsellors provincially, I think. When I spoke about one man I was talking about the man we have resident there now, who is handling our general business.

The Chairman: He handles more than 400 farmers because he goes beyond Kent County. He is not just one for 400; he is one for many more than 400.

Mr. Holmes: Yes.

Hon. Mr. Whelan: How many Farm Credit men do you have in all the province?

Mr. Holmes: Field men?

Hon. Mr. Whelan: Farm Credit men.

Mr. Holmes: We have seven men in the field for all the province.

Hon. Mr. Whelan: We cannot just pick somebody off the street and tell them they are going to counsel the farmers in Kent County, Essex County or anywhere else. They have to be people who are knowledgeable, who can give sound advice. Our program has only been operating since last October. On reading some CIDA publications, you find that some of those concerned with some of our overseas programs have certain reservations about the people we send overseas to some areas for counselling services, because they have not had the practical experience connected with it.

Senator Norrie: I realize that very well, but it seems to me that the whole of Canada has been focussed on this area of Kent County for so long, that this is the one area that is so depressed that they want to do something for it. According to the report, it is not working at all.

Hon. Mr. Whelan: To be fair, we only signed the agreement last October. As I said earlier, I am very hopeful, as Mr. Williams informed you, about our education programs producing properly trained counselling people to go and talk to these people. I have made studies of my own of different areas in the United States, where the governments and farm organizations provide counselling services. Some of these have been very successful. Some have not been, where the staff have not been knowledgeable enough. Some people become so attached to the counselling service that they do not want to do without it; they depend on it for advice on how to farm, on how to carry out their operations.

In some places in the United States the farm bureaux hire farm counselling services themselves for their farmers. Under their program after a certain economic stage was reached the counselling service had to go to someone else in a depressed area until his position was improved to the point where he did not want counselling services. Even when farmers got to that stage they did not want to be without the counselling service, so the farm bureaux and co-operative services in those areas hired counselling services for them. They think it is great. An experienced man is like a walking book of knowledge, but he also needs the ability to talk to these people and explain the most modern and scientific farming in a way that they can understand and put into practice.

In my own area many farmers do not speak either of the two official languages, so language must not be a barrier, if there is a proper counselling service. These people are fortunate enough to live in an area where there is a large research centre at Harrow; they have beautiful orchards, and all the most advanced technology is used. I have asked different people from time to time how they do such a good job. The man in charge of the station at Fredericton was in charge of peach trees, and he told me, "I just go and see Big Mac."

Dr. Weaver, who is in charge of the Fredericton research station used to be one of our people in the station at Harrow. He has dealt with hundreds of these people who have no knowledge of either of the two official languages, who might be called peasants, who would not be allowed to immigrate into Canada under present circumstances, but they are some of our most successful farmers in

that area. They have done it by paying attention to the trained people, people with know-how, and also by watching some of the successful farmers in the community.

I am a strong believer in the counselling service. I believe it can be a means of aiding these people as they have not been aided in the past with our Small Farms Program. That does not mean that because we have a Small Farms Program as it is now we cannot expand on it and improve it. If we see faults, we should change it and make it better.

Senator Sparrow: Can you tell us, Mr. Minister, what is the most profitable use of the land we are talking about? In relation to the return on a dollar investment, when you talk about \$15 or \$20 per acre, is the return on that investment better if it is in forestry products, or would it be better in grain, forage products or grazing? What type of breakdown is there? I mention this because it is extremely important to know. If forestry is the best producer, why not leave it in forestry?

Hon. Mr. Whelan: I visited Fredericton, although only for just over half a day, when I was talking to our people about New Brunswick. We feel that livestock is one of the things that could be expanded tremendously in that area. We do know you can grow good forage in that area, that you can grow certain kinds of grain, such as barley and oats, in that area, with certain fertilizing programs and so on. Senator Michaud can correct me if I am wrong. I am optimistic that we can establish programs in that area that will create the productivity they need for the products they consume in that area first and foremost. That is what we should be looking after. If you can successfully grow potatoes on land, then there are many other crops you can grow in that same type of soil that can be quite productive. We list some of them here. We are very optimistic about livestock production in that area.

Senator Sparrow: You say that the return from forestry is in fact less than from cattle?

Hon. Mr. Whelan: I agree with Senator Michaud and some of the others from New Brunswick who have said the same thing, that there should be some program of land use. This is arable land; it is land that has been cultivated and is being cultivated in some instances. It would take a tremendous program to put it back into agriculture. Once it is put into forestry it is out of agricultural production for at least 20 years, and then you have the job of putting it back into agricultural production. As I say, I agree with Senator Michaud.

We know the different soil types in almost every province. There should be some kind of program that indicates to the lumber people, the paper people, or whoever one may be talking about, "This land should stay in agriculture, and we want it to be in agriculture. We know there are other lands in this and other provinces that should be put into trees, and we want you to put them into trees." We recognize this under our ARDA programs, and even under our Small Farms Program, because they can use that to turn it into forestry land, recreation land, park land, almost whatever they want to do with it.

Senator Sparrow: In your opening question, Mr. Chairman, you asked the minister about the broad future of agricultural products. The minister has seemed to be very optimistic about the future of agricultural markets. You were speaking generally. Is there any area in agricultural products that you would be optimistic about, let us say, in the next five years, that you would caution farmers going into that area, telling them not to grow or not to over-produce? The reason I say that is that you said that the general thinking is to get every possible acre into cultivation for use in agricultural produce.

Hon. Mr. Whelan: No, I said that all good agricultural land should be producing agricultural produce, not every possible acre. There is a difference between that and "every possible acre", because we know there is some land in agriculture today that should not be in it.

Senator Sparrow: Would you have any word of caution on any particular product?

Hon. Mr. Whelan: The only word of caution I would have is that there are certain products you can produce until they come out of your ears, without having much to do with the land. I would say that farmers who are competing for the domestic market and for world markets must work closely together; they must not produce helter-skelter, or that can cause chaos in some of these markets, especially where there are perishable products concerned or those that will not keep for so long.

I do not see this in the case of cereal grain production because this is a product that, properly dried and stored, can be kept for many years without losing too much of its value in protein content and so on. As to perishable products, we do not have to worry about red meats, for example, for a long time, if ever we keep up to the demand for this in the world, because of the higher standard of living of people in most parts of the world. In the developed parts of the world and even in the developing parts, with the high standard of living they are demanding more of this type of food and of sophisticated types of food which we take for granted here in our country. But I think of poultry products, where you can have utter chaos in the marketplace and there can be a serious economic issue, if you do not work together on production. By working together, the production can be good both for the producer and for the consumer. So this is one thing on which I would caution people.

Even in some parts of the world that may be in need, they recognize that there has to be stability in the markets to have that constant flow, because if you go up and down in production it does not do anyone any good, either the consumer or the producer. People refuse to lend them money; people refuse to supply them with the materials and supplies that they need for production. We know what happened in the poultry business two years ago; they were all going broke, because of the terrible condition that existed in the poultry business, especially in the marketing of eggs. Some of the poultry farmers said that the only thing that they had new in the last two years was a brand new, shiny mortgage, because of the chaotic condition that existed in egg production. That can easily happen again if they do not work together. My main concern is that

they gear their production so that they can all have a sound economic way of life.

Senator Fournier (Restigouche-Gloucester): My question is somewhat related to the former ones. Coming back to the amount of lands found in the Canada Land Inventory, was there any special consideration given to special soil to be adapted to special kinds of crops? For example, classes 1 and 2 land may or may not be too good for potatoes; classes 3 and 4 may be better for potatoes, as is the case in New Brunswick.

Hon. Mr. Whelan: I will ask Mr. Williams to make a comment on this. He is more closely tied in with the technical aspect. I do know that in respect of certain kinds of land we need a fairly clear idea of what they will produce. One also has to take into account the climatic conditions.

Mr. Williams: Very briefly, the answer is yes. There is some consideration given to that. Land in category 1, however, is land considered capable of producing almost any crop. It is associated with good drainage; it is associated with ideal climatic conditions, a long frost-free season, and things of this nature. In other words, it is not simply the chemical analysis of the soil; it is a long way from that. I am sure you gentlemen all appreciate that some crops will stand poor drainage a lot better than some others. So the statement you have made is perfectly correct. Possibly category 3 land is just as good as number 1, for certain crops, but number 1 will be better for a larger number of crops than number 3, for example. I am just supporting what you are saying, sir.

The Chairman: Honourable senators, the minister has made an excellent presentation. He is anxious to get away to a Cabinet meeting. We have been sitting for almost two hours. I do not want to shorten the question period unduly, but if we can tighten up a little, the minister will be patient and stay a little longer.

Hon. Mr. Whelan: I can stay a little longer; and the officials can stay here and answer the technical questions better than I can.

Senator Michaud: The minister referred a minute ago to the director of the research station in Fredericton. If I may make a recommendation in connection with that institution, I would say this: For God's sake, use it more than you are, in the field.

Hon. Mr. Whelan: I know Dr. Weaver quite well. Actually, Dr. Weaver and his staff were very active in the recent catastrophe that hit that area. Besides billeting people, I think they billeted about 800 animals of all descriptions on the farm, because they were on higher land. I am very optimistic about Dr. Weaver and his staff—he has not been there very long, about a year now—if he follows the same practices and policies as he did when he was a staff man in our area. You know, they had a petition circulated not to let him go, when he was leaving that area. That is how much they thought of him.

Senator Michaud: The reason I said that is because I feel that institution is in a position to render great service.

Hon. Mr. Whelan: Yes. We built the new addition to the building there and our extension people, federal and provincial, will all be established right there. They will be able to work much more closely together than ever before. We hope to do some of the things you have suggested already, and perhaps some further things that your committee comes up with.

Senator Michaud: You have a good staff there.

The Chairman: Do you have what we have had in the province of Saskatchewan and in Western Canada for many years? Do you have a permanent demonstration station out in Kent County, in which you have a farm that is being operated by the most scientific methods for production of certain crops, so that farmers can, close to home, see the kind of operation that is going on?

Hon. Mr. Whelan: Yes, there are forage programs. You can go to Fredericton, open the window of a cow's stomach and see how the forage is being digested, if you want to. We did it when we were there. They even took a pair of forceps and took a sample of the forage from inside the cow's stomach while we were there, to show how it was being digested. I understand there are farms on display that the farmers can visit, and where they can talk to the people. Mr. Williams, you know, was a farm operator in charge of a research station in the Maritimes, so it may be he can elaborate on that.

Mr. Williams: We used to have a system of illustration stations where the total farming operation was run by the farmer under some type of supervision from an experimental farm. It was found that these generalized types of experimental stations were not serving the purpose they should have. We have now moved to a somewhat different procedure, whereby we try to demonstrate specific practices better suited to a particular area.

So, to answer your question, we do not have any more overall so-called demonstration farms or illustration stations, as was their technical name; but we do have field displays and field demonstrations of particular practices, especially of improved practices that would be of interest in a particular area. I cannot answer specifically for Kent County at this moment, but I could obtain that information easily, if you wish.

The Chairman: Along with some other senators, I had the privilege of having a quick journey through Kent County on the invitation of Senator Michaud last summer. It struck me that it would be very useful if there were some farms, under this kind of an agreement, that could be put under forage production, grain production and beef production, so that within ten or twenty miles from home a Kent County farmer could drive over and see what is being done. I think it would be more suitable, rather than having to drive a hundred or 200 miles to, let us say, the best possible demonstration in the world. Something close to home that was really quite practical would be very beneficial.

Hon. Mr. Whelan: I am surprised that a westerner would suggest that people only drive 20 miles to see a worthwhile project! Recently, when I was in Prince Albert, people came 120 miles to see the Minister of Agriculture.

The Chairman: Ah, but that is an oddity!

Senator Norrie: The point is that these families in Kent County do not have an income of more than . . .

Senator Michaud: They are operating within the \$2,000 range.

Senator Norrie: Operating in that range, how many could afford to go to Fredericton? Nobody could. They are sitting there in their poverty. They are in a different situation.

Hon. Mr. Whelan: I disagree. If they really want to, they can go.

Senator Norrie: But they don't want to! That is the point. If we want them to go, we will have to do something.

Hon. Mr. Whelan: Well, we will do everything we can to rejuvenate them and give them the proper attitude, I am sure; but, you know, I can remember going all the way across Canada without a dollar. I had the desire to see Canada, as far as that goes, at that time. Also, I see people like Senator Michaud here. There must be other people like him in Kent County. Look how far he has gone.

The Chairman: I think it is important to have demonstrations close to home, because many people do not like to go far away from home.

Senator Norrie: They have been living in this poverty for generation after generation. There has to be a bombshell placed under them to make them realize that there are ways to get out of it. It takes generations to do it.

Hon. Mr. Whelan: Young farmers and other come to my county to work for the harvest. I must admit that the government pays their way there. These are very good workers—some of the best workers we have, who come to work in Ontario for the harvest. In the past some of them have stayed in Ontario and have got other jobs.

The Green Giant corporation used to go to New Brunswick to get their help for working in their plants and their fields in Ontario. They still have some of these people coming back on their own. It may be that their operation lends itself to working in the fruits and vegetables in Essex and Kent Counties in Ontario, but they do this every year, and they are good workers.

So I do know some of the background of some of the people in that area. Some have stayed there and have got jobs in industry. I know two or three of them who are actually farming in our area. They have other jobs too, but they are operating very successful farm operations.

Now, I realize that your concern is that you want these people to stay and be productive people in Kent County.

Senator Norrie: That is right. We want them to have a viable operation.

Hon. Mr. Whelan: We know they are capable of doing this, because they have done this in other parts of Canada.

The Chairman: Are there any other questions?

Senator Sparrow: Just referring again to the Small Farm Development Program in Saskatchewan, could you tell us what the areas of negotiation are with the Province of Saskatchewan that are apparently holding up the program for the farmers in Saskatchewan?

Hon. Mr. Whelan: No, I cannot.

Senator Sparrow: I understood there was some problem of the federal program not fitting the provincial program, in that the federal program permits the sale of this land that is purchased whereas the provincial program does not permit its sale for five years. Is that the holdup, or is it one of the holdups?

Hon. Mr. Whelan: I would rather not say at this time; it might jeopardize our negotiations.

The Chairman: Senator Sparrow, I think details on negotiations in Saskatchewan might be beyond our terms of reference.

Hon. Mr. Whelan: At this stage I do not think it would do our negotiations much good if I started saying what we were differing on and what we were agreeing on.

Senator Sparrow: At any rate, there is a holdup, and because of it our people are not benefiting from the program, our farmers are not able to take advantage of the program, as such, in Saskatchewan.

Hon. Mr. Whelan: I really do not think too many of them have been jeopardized at this stage.

Senator Molgat: With respect to the extension services through the Farm Credit Corporation, have you added to your Farm Credit Corporation staff now that you have taken on this project?

Hon. Mr. Whelan: I understand that if we have not already, we are going to be taking on extra counselling services and so on.

Senator Molgat: This being a new function for the Farm Credit Corporation, if we are going to have to depend strictly on the people we have now, good as they are, I doubt if they can do the job.

Hon. Mr. Whelan: There will be new people under the Department of Agriculture but working for the Farm Credit Corporation. They would be departmental people.

Senator Molgat: The reason I raised the question is that the minister himself, in his opening statement this morning, said that, "many other activities will be required to stimulate and assist farmers of this area." And he went on to say that these would include, among other things, "a strong extension service." I hope this will be a federal extension service.

The Chairman: If there are no further questions at this point, on behalf of the committee I would thank the minister for coming and

giving us his time this morning. While he is still with us, I wonder if it can be understood and agreed that if members of the committee have questions, even after the committee has adjourned, they will be free to write to the minister or his officials and receive an official reply which can be incorporated in our records at a future time. In other words, there are many technical answers we might want and which might only be available to the committee at a later time.

Hon. Mr. Whelan: Mr. Chairman, so far as I am concerned, your wish with respect to further information will be complied with, but I would like to say that as Minister of Agriculture one of the things I find very difficult to accept, is full responsibility for the plight of agriculture. You know, there are ten different provincial programs across this land, some of them as different as night and day, that are initiated for the farmers of those provinces. For example, New Brunswick does not have a crop insurance program, even for those who might want to take advantage of one. There are many different situations like that, where the rich provinces have programs for their producers whereas the not-so-rich or the have-not provinces do not have programs for their producers producing the same crops. In fact, those have-not provinces could not even think of putting in some of those programs for their farmers.

So this is the difficulty I find myself in: People ask me to be the equalizer. I am not speaking against western Canada, but they used to have an equalizer out there more than in other parts; they called it the six-gun. It may be stretching a point, but sometimes you would think a six-gun would be the only way you could be an equalizer, again because of these programs which I find so different. It is a difficult problem when you have some producers, producing for the same domestic or export markets as others, having to produce at a tremendous disadvantage with respect to their counterpart in another province. It is just that hidden line which distinguishes one province from another that can make the difference. How we will ever overcome that difficulty I do not know, but we can try with our federal program.

The Chairman: Thank you very much, sir.

Senator Norrie: Mr. Chairman, now that the minister has gone, may I say something stronger? In terms of crop insurance, when you cannot get enough bread on the table or a decent meal, what is the good of talking about crop insurance? What is the good of that when you cannot even pay the premiums? Crop insurance is of no help to Kent County, not one bit.

Now, as far as the Fredericton research station is concerned, those people are so depressed in their poverty that, as Senator Michaud says, they probably do not even know that there is a research station over there. And what are they researching for? They are researching for their bread and butter; that is all. And this is the state of the people we are talking about. We are not talking about anybody who wants to get a Cadillac or anything like that. These people are simply trying to live. These are the kind of people we are talking about, and what are we going to do for them?

The Chairman: Well, that is what this committee is about, and that is what we will decide when we come to making our recommendations. I think crop insurance is fine, and I think it

would be great to have it in New Brunswick, but I also know from personal experience that if you are broke, you can have the best crop insurance scheme in the world, and you cannot make it available to yourself because you do not have the base; and I know farmers who have been in that situation for the last two or three years. I live in a more prosperous agricultural community, and I can tell you that I have neighbours who have never been beyond the city of Regina which is 75 miles away—and this is 1973—and they have been farming for 25 years. I can hardly believe it myself, but I know it to be the fact. It is true that many people, probably the people you want to help the most, have never gone to Fredericton. I have not lived in that province, but I am sure there are many who have never gone more than 100 or 200 miles away from home.

Senator Welch: We have crop insurance in Nova Scotia too, but we cannot afford to pay the premiums. I am an apple grower, and that also is a branch of agriculture, and if you get 55 cents for fancy apples and it costs you \$1 to pack them, then you cannot afford to carry much insurance. So I am glad I am out of the business. But that is what is happening on many many farms throughout the Maritime provinces.

The Chairman: Now, do we have some direct questions to the officials?

Senator Molgat: Yes, I would like to get some specific information. I am referring now to the document sent to us by Mr. Williams on May 16 and which is dated April 5. On page 2 you refer to the decrease in the number of farms and total farmland areas. I do not need these figures right now, but before we have our hearings in New Brunswick I wonder if we could have what the Canadian figure is, for comparison purposes, under the same two headings.

Mr. Williams: I think I can give it to you orally now, if you want it. In 1966 there were 430,000 farms in Canada—and I am rounding these figures out to the nearest thousand—and in 1971 the figure was 366,000.

Senator Michaud: That would be how much, in terms of percentages?

Mr. Williams: About 17 per cent or something of that nature.

Senator Michaud: And that compares with our figure of 48.7.

Mr. Williams: Then, in respect of area in farms, in 1966 the figure for Canada as a whole was 174 million acres, while the comparable figure for 1971 was 170 million acres—and again I have rounded out these figures.

Senator Molgat: A difference of four million acres?

Mr. Williams: Yes.

Senator Molgat: Then on page 4, under Livestock Production, you show the decrease in cattle and sheep production in Kent County as being 26 and 36 per cent, respectively. Could we have those figures for the Maritime—or could we have whatever figures

you have? Let us say for New Brunswick, then the total for the Maritimes and the total Canadian figure.

Mr. Williams: I believe the Maritime figure is available in the document. If you look at page 15 you will see that for Kent County the number of cattle decreased by 26 per cent, while for the Maritime Provinces as a whole it decreased by 14.6 per cent. If you follow on down through that page you will see that the production of hogs increased in Kent County by about twice the rate of increase in the Maritimes as a whole. I regret that I do not have the Canadian figure with me, but we will certainly provide it to the committee some time later this day.

Senator Molgat: It does not necessarily have to be today.

Mr. Williams: I must confess that I have it here somewhere, but it would take a little time to dig it out.

Senator Molgat: Then on page 10 you give a breakdown on soil capability for agriculture, by subdivision, of Kent County. The total acreage in the whole of the county, including forest land, waste land and swamps, et cetera, is 1,114,000 acres. Is that correct?

Mr. Williams: That is correct, but that excludes large bodies of water. It is a gross type of measurement which excludes, as I have said, large bodies of water.

Senator Molgat: That is the total area of land for Kent County. And then referring back to the Minister's statement this morning, 801,000 acres of that is considered as being arable.

Mr. Williams: That is the sum of classes 3 and 4—that is 340,000 and 461,000.

Senator Molgat: Then class 5, according to the definition you give on page 3, is not considered as arable land; that is to say, you cannot till it, but it can be used for forage crops. Is that correct?

Mr. Williams: It is considered that it could be used for rough pasture and things of this nature.

Mr. Burns: In the Maritime region generally, class 5 land needs inputs to keep the spruce off because it will quickly reforest by itself. Consequently, there is a very limited period that this land would be useful for forage. It is quite unlike the situation in Western Canada, where such lands would remain in grass forever. Therefore, I think you would appreciate that there has to be an input to maintain forage stands on class 5 land in Eastern Canada, which may not be economically justified, having regard to the particular situations and the capabilities of the land, and so on.

Senator Molgat: So it is not what we would consider in Western Canada as super-grazing land?

Mr. Burns: That is right. It can be used as such, but it takes input to keep productivity up and to keep the trees out.

The Chairman: The input being fertilizer?

Mr. Burns: Yes, and something to keep the tree growth from coming in, such as a chemical spray for example; but mainly it requires fertilizer and reseeding.

Senator Molgat: Then on page 16, dealing with the subject of off-farm work, the average per farm is 143 days—and that is for all farms—with a figure of 107 for farms of 10,000 acres and over. Is it correct that someone in that category still works, on an average, 107 days per year off-farm?

Mr. Burns: That is the information from census data, yes.

Senator Molgat: That means one-third of the year they are employed on other than farm activities. It seems a very high figure for a farm in that category.

Mr. Burns: Of course, that is what is happening right across the country. It is a high figure, but I think we have to accept that this is a change that has come about and that we have not previously recognized. There is some data which I do not have with me but which indicates that the off-farm earnings of farm people is equivalent to their net farm income. A study in Ontario showed that about 45 per cent of all farmers would be considered as part-time farmers in that they make more money from other sources. So there are many things that suggest that more and more farmers are looking for non-farm income. This information is from the 1971 census and is as accurate as we can get it.

The Chairman: Many of them are both fishermen and farmers. That is the particular thing they do.

Mr. Burns: And logging forests.

Senator Molgat: I could see the higher figure in connection with the lower income groups, because obviously they must seek outside income. It seems surprising that in the relatively higher income groups they still must attempt to do off-farm work.

Mr. Burns: It should also be borne in mind that if the farm operations provide full employment,—you know the well-known example of the wheat grower who works for so many days and either takes another job or goes curling. These people have the time to do this and more and more, as opportunity affords and transportation reduces distance, as it were, this opportunity becomes available and, of course, those who can commute the farthest spend the most time taking advantage of it.

Senator Molgat: I would like to discuss this before we go there. There are 400 farms in total and only 173 reported. Would that indicate that the others do not do any off-farm work, or that they would not reply?

Mr. Williams: I think, Senator Molgat, you would have to place your own interpretation on that. That is based on the 1971 census and, presumably, some of them did not report and, some of them have no off-farm work.

Senator Molgat: You have no further information?

Mr. Williams: We have no further information.

Senator Molgat: At the very bottom line "the average per farm . . ."; I presume that is the average tax per farm. Is that land tax only?

Mr. Burns: Property tax, yes.

Senator Molgat: I am surprised at the figure, at the extreme right, of \$1,313 average land tax.

Mr. Burns: For the farms earning \$10,000 or over. That is the figure as reported; it does reflect the taxation pressure on lands in New Brunswick, of course.

Senator Molgat: If you refer to the next page, 17, the average in New Brunswick in the same category is \$486, which would seem to indicate that the taxation in Kent County is out of line with the balance of the province.

Mr. Williams: We certainly could check those figures, but the observation you made appears to be very valid, unless there is a disproportionate number of very large farmers, which is not the case in Kent County. In Kent County, for example, one per cent of the farmers reported over \$50,000 a year income. For the province of New Brunswick as a whole it was \$25,000. We will check that figure.

The Chairman: I think that is an indication of their poverty. If they are to have even a moderate gross income, their expenses are very high, including taxes.

Mr. Burns: We have checked that figure and it seems to be consistent with what we have available.

Senator Michaud: Are you referring to taxes?

Senator Molgat: Property taxes only.

Senator Michaud: A statement is made in this booklet prepared for ARDA in 1966 about life and poverty in the Maritimes that farmers in a certain area with an income of \$2,000 gross paid property tax of \$500. However, that was prior to the system of taxation introduced in 1962 and known as the program of opportunity in New Brunswick.

Senator Molgat: So there could also be a tax problem.

Senator Fournier (Restigouche-GloUCEster): That is most likely one of the reasons for so many small farmers quitting.

Mr. Williams: Senator Molgat, I now have the figures I said I would provide later. For cattle and calves in 1966, for Canada as a whole it was 12.9 million head; for 1971 it was 13.7 million. For hogs, the figure was 5.4 million and 7.4 million. For sheep and lambs it was 1 million and 1 million. For hens and chickens it was 75.2 million and 88.2 million. I believe those were the categories you requested.

Senator Molgat: That is correct. Those are the Canadian figures?

Mr. Williams: Those are the Canadian figures.

Senator Molgat: I wish now to refer to page 6 of the April 5 document, under the item "Local Market". At the bottom of the paragraph the statement is made that:

One must keep in mind that purchased livestock feed in the area is mainly subsidized. It would not be a sound basis to build an agricultural industry on subsidized feed.

With the amount of land available, 340,000 acres in rating 3 and another 400,000 in rating 4, suitable land for feed production, and only 10 per cent of that in use, is there not the possibility of substantial feed production in that area, and, if so, why is there an actual decrease?

Mr. Williams: The question of attempting to resolve the problem of providing adequate feed supplies, other than through the subsidization of the freight costs of feed moved from Western Canada, has perplexed policy-makers in the Maritimes for many years. One school of thought says that this subsidy should be removed, thus, presumably, forcing the prices of grain up and stimulating production in the area. Another school of thought says that if that is done it will only render the end products—that is, chickens, eggs, pork, beef and so forth—non-competitive with the final product entering the area.

In my opinion, the Minister probably put forward the most recent thinking, and certainly his own, that we are now giving consideration to the possibility of developing some type of program which would stimulate grain production in some of the better suited areas of the Maritime provinces. He mentioned the grassland incentive program in Western Canada and that consideration is being given now to the possibility of some type of grain production stimulating program in some parts of the Maritime provinces. Provincial programs along these lines exist in some areas.

Senator Molgat: Land exists there which is suitable.

Mr. Williams: It is suitable, yes. I should add that there is a question of land tenure. I think Senator Michaud would bear me out in this regard, that in not all cases is the land tenure, the nature of the fields and sizes of holdings well suited to larger scale production. Certain changes may be necessary, and we had hoped, recognizing some of the comments made there as to the extreme poverty and the difficulties associated with that, that the Small Farm Development Program would be of some assistance. It certainly will not solve the problems which have been illustrated here with respect to the hard-core poverty, but it may assist some of those who are capable of some development. I say "capable," because I do not mean managerial knowledge or aspects of that nature, but those who have the incentive, desire and background to go ahead. We think the program will assist some of those, but it certainly will not solve the hard-core poverty problem.

Senator Molgat: Senator Michaud referred to some of the land being sold to forestry corporations and so on. If a farmer desired to

go into a forestry operation himself on land that he owned, would he be eligible for Farm Credit or Small Farm assistance?

Mr. Williams: First of all, in so far as the vendor grant is concerned, if he wished to sell in order to create a larger forestry operation, the vendor would be eligible. The purchaser would not, because it is not considered agriculture.

Senator Molgat: So at the moment a farmer cannot go into tree farming under the agriculture programs?

Mr. Williams: Not as a total operation; he can obtain part of his income from this and still be eligible. In other words, he can have a woodlot and a portion of it in forestry. It is not unrecognized, but it falls in this general area of principal occupation. If his principal occupation were forestry he, by and large, would not be eligible.

Senator Molgat: So there is no program whereby a farmer, under the circumstances referred to by Senator Michaud, who owns a block of land for which an offer is made to him by a forestry corporation, can decide to farm it himself as forestry and remain eligible for agricultural programs of any type?

Mr. Williams: That is correct. But I should add that the size of many of these holdings is such that he could not possibly, from an economic standpoint, think of entering into it as forestry. Forestry would have to be much more extensive than the average size of holdings of the type of farm that we are talking about. I think Senator Michaud will substantiate what I am saying.

Senator Molgat: I do not know whether you can supply this for us, Mr. Williams. For those of us who are not from the Maritimes, we may be accustomed in our region of the country to certain government programs for assistance to farmers. I do not know what is available in New Brunswick. Do you have, or is it possible for you to give us, a list of things that are available? For example, out West we have brushing, land cleaning programs under ARDA, and a number of other things. Can you tell us what is available to a farmer in Kent County so far as service programs from the federal government are concerned? I do not need it now.

Mr. Williams: Do you wish to have both federal and provincial?

Senator Molgat: If possible.

Mr. Williams: We will provide you with both—under headings, at least. It would be a rather extensive document if the programs were to be detailed.

Senator Molgat: No; just a brief summary.

Senator Sparrow: Under the Farm Credit Corporation, your department estimates the value of land for loan purposes. On what basis do you estimate the value of land? It seems to me that we hear two kinds of complaints: the estimated value of land by your department, and the taking of other land as equity for the purchase of additional land, which is not part of the Small Farm Development Program. Will you tell me how you estimate the market value?

Mr. Holmes: We make two estimates of value. We make an estimate of market value, because that is something that people are paying for land. By legislation we lend on the agricultural productive value of land. The difference between these two, in finding out the agricultural productive value, we first have an applicant who wants to farm this land. We ask him to tell us what he is going to do with it, what type of operation he will have, what he believes his gross income will be, and what he believes his cost will be. We work together. We always like the farmer to do this himself.

Having done this, we say, "All right, you have so much gross, so much cash expenses. There will be taxes, fixed costs, variable costs, and there is livelihood, and the balance is left over to pay the debt." Roughly, we convert this balance that is left over to pay the debt into the amount of the loan. We are looking for productive value.

The situation that comes along with this—it is more prevalent in Saskatchewan than in many other provinces—is where a young man wants to buy a parcel of land. We are now talking about security. We may not make a loan to him, based on this, because the land value in Saskatchewan, by and large, is estimated on the market value, and farmers who already own a considerable amount of land can afford to pay quite a large sum. That sets the market value. Now, if the young man wants to buy half a section or three-quarters, we say, "There is no possible way that we can see, based on the productivity of this land that you want to buy, that you can borrow close to 100 per cent of the value, or even 75 per cent of the value." This, in effect, is why you will find quite a few young farmers wanting to start out paying high prices that are not really related to the productivity of the farm if it has been farmed just as a unit.

This is the difference between the two. This is why quite frequently we ask for more security. It is not a question of security for the Farm Credit Corporation; it is a question of security for the young man who is going to be borrowing. In other words, in this total unit we are asking the father, when he puts up land, "Look, in our estimation it is impossible for this young fellow to pay this amount of money, pay this amount of mortgage credit on the production from this land alone." But if dad wants to go in with him and there is a section of land which we believe will carry this size of loan—it is not just a question of security for us—if father is in there with this parcel of land, then obviously he will help a little with management, with fuel, will lend him a tractor, and will do all the other things that make this unit.

Senator Sparrow: By taking equity on some other land, you lend, in fact, more money, or make a loan possible, because of that additional equity. Your estimated value is now on sale value rather than on productive value of that farm.

Mr. Holmes: Not really, because we take the other land in. We work on the productive value of, say, 1,000 acres rather than 700 acres.

Senator Sparrow: When you say you take the productive value of that land, perhaps it would not be feasible and therefore the loan would not be available. But under this new farm program, without taking this additional equity, what value are you going to establish

on that land on a productive basis? It seems to me that if we are now only getting a loan amount of 75 per cent of the market value of that land, if you knock that down further on productive value, this program may not be that good if you end up being able to loan only 50 per cent of the market value as such.

Mr. Holmes: Under the special credit, we would be lending up to 90 per cent of the market value. We will go back to the man's total enterprise to estimate the productivity and see if we believe he can carry this debt; but we will be lending up to 90 per cent, or, actually, more than 90 per cent.

Senator Sparrow: So you are going to loan, under this program, 90 per cent, or up to 90 per cent, of the market value?

Mr. Holmes: It is higher than that. It is 90 per cent when you are purchasing direct. But on this particular one, as Mr. Williams pointed out, there is a \$200 deposit on a \$20,000 farm. If two farmers—one is going out and the other wants to buy it—agree on that price, we will purchase from one and concurrently sell to the other under an agreement for sale, and it requires only a \$200 deposit.

Mr. Williams: It is basically 100 per cent.

Mr. Holmes: Yes.

Mr. Williams: Security is only taken on the actual land that changes hands.

Senator Sparrow: At market value, though. One farmer has \$20,000 worth of land that he wants to sell, or it is his opinion that it is worth \$20,000. He finds someone who, in his opinion, says it is worth \$20,000. You are prepared to make that transfer for \$200. Your estimate of the productive value of that farm, in theory, might be only \$10,000, but you are still prepared to take that gamble of the potential loss of \$10,000.

Mr. Williams: That is correct.

Senator Sparrow: That is what you are prepared to do under the standard Farm Credit?

Mr. Williams: Which they are not legally allowed to do under the standard Farm Credit. It is because these funds are covered by a special vote of Parliament for this purpose.

Mr. Holmes: The land must be farmed already. He has that land, whether it is under lease, whether he owns it or even borrowed from us on the other land.

Mr. Williams: But what Senator Sparrow is saying is correct; there is no argument about that. The point that is possibly missed at times is that the Farm Credit, when it asks for additional coverage on land that it is lending on under normal terms—does so in an effort to protect the purchaser, because I do not think that Farm Credit feels that if it had to take over ownership of that land it is going to lose on the deal. By and large, it is impossible to lose on

land transfers, if they are at market value at the time of the transfer; it is almost impossible to think of losing on land transfers.

Senator Welch: Are you thinking of land in Kent County or other parts of the Maritimes, or what land are you referring to now?

Mr. Williams: By and large, I am thinking of every area in Canada. I am not thinking of individual pieces of land; but, on average, farm land value has increased by 11 per cent annually over the last five or six years. I quite agree it is possible to lose money on specific pieces of land, and the Farm Credit Corporation has had that unfortunate experience. However, I think, on average, it is not going to lose because of the increase in land values.

Senator Sparrow: Can you give us the percentage of loss in land and in dollars, or the loss ratio?

Mr. Holmes: I would not want to quote a figure offhand. I think we can get that information for you.

Senator Sparrow: Would it be less than one per cent?

Mr. Williams: It would be much less than one per cent.

The Chairman: The Farm Credit Corporation sometimes asks for additional security which the farmer wanting the loan does not have, so that, at least in some instances, you are in fact turning him down; it is a refusal.

Mr. Holmes: Yes.

The Chairman: It is all right to say that the father has land and he can put it up. You are asking for additional security in order to protect the applicant, and if there is no additional security to put up, then the application is refused.

The complaint we hear quite frequently is that the Farm Credit Corporation is too tough; it wants too much security. I am not making that complaint, but it is a complaint we hear quite frequently.

Mr. Holmes: There is an appeal board, as you know, Mr. Chairman.

Mr. Williams: I think it is also fair to say that it is not too many years ago that the Farm Credit Corporation was being accused of the opposite: it was accused of lending too freely, thus forcing land prices up in a manner that should not happen. Yet they were operating under the same policies. I think the philosophy changes, depending on the market situation, to a certain extent, at least.

It is quite easy to fall into the other trap, that is, lending so freely that we do force land prices up, to the detriment of the competitive position of farmers.

The Chairman: If there are no other questions, I should like to take a moment or two to state my views to the committee on

meetings between now and the time we leave on our trip to New Brunswick.

There will, of course, be a meeting of the steering committee and, depending on the committee's reaction to what I say, it might be desirable to have another meeting of the committee between now and the time we leave for New Brunswick. The officials of the department could return at that time to answer a further series of questions. We could, perhaps, get further technical information so that we will be prepared, as best we can be, for our trip to New Brunswick.

If the committee feels that such a meeting would be useful, then we will hold one. It is my view that another meeting would be useful. However, the committee may feel that it is not necessary to have another meeting.

Are there any views on that?

Senator Lafond: Perhaps we should leave it to the steering committee to decide, Mr. Chairman.

The Chairman: Fine.

Senator Molgat: In relation to the work of the committee, Mr. Chairman, would it be possible to get the complete report of the provincial committee? The report has been referred to in part, but I do not believe you have the complete report.

The Chairman: Yes, and any other background papers on it. We will endeavour to get as full a report as possible.

Thank you, gentlemen, for your attendance here this morning. Probably we will be hearing from you again before leaving for New Brunswick.

Mr. Williams: If you wish to question any other officials from the department at that time, we would be only too glad to have them attend.

The committee adjourned.

APPENDIX

April 5, 1973.

THE AGRICULTURAL SITUATION

Kent County, N.B.

The agricultural situation in Kent County, New Brunswick is not a rosy one. Farm numbers have decreased at a much faster rate than that for the province and the Maritime region as a whole. However, some adjustment within agriculture has occurred. This was substantiated by the fact that more farmers had increased their size of operations and more farmers had increased sales of agricultural products in excess of \$5,000 during the period from 1966 to 1971.

The basic problems that afflict agriculture in Kent County and the Maritime region, although they appear more acute, are similar to many other areas across Canada and beyond our borders. Some of the areas of concern in dealing with these problems would certainly include a close look at the resource base, labour force, allocation of resources, productivity, low farm income, small size of farm, agricultural output, technological environment and competition. Attached are some basic statistical information pertinent to the agricultural situation in Kent County. The information assembled includes the following:

- 1) Number, area, and average size of census farms, 1966 and 1971
- 2) Population, tenure, age and residence of operator, type of organization for census farms, 1971
- 3) Soil capability for agriculture in Kent County
- 4) Farm cash receipts, 1966 and 1971
- 5) Census farms classified by economic class, 1971
- 6) Census farms classified by economic class, 1966
- 7) Census farms with sales of \$2,500 or more classified by product type, 1971
- 8) Number of livestock and poultry on census farms, 1966 and 1971
- 9) Off-farm work and capital by value of agricultural sales, 1971
- 10) Distribution of education level of farmers in Canada and Provinces, 1961
- 11) Stereoscopic aerial photographs in the Buctouche Area, Wellington Subdivision, Kent County, New Brunswick.

The number of farms in Kent County, New Brunswick decreased by 48.7 percent during the period from 1966 to 1971 as compared with the province as a whole with a decrease of 37 percent. The farms that disappeared were the smaller farms with sales of agricultural products of under \$2,500.

It was noted that the total farm land area decreased substantially from 1966 to 1971. In Kent County it decreased by 37.6 percent, the province by 26.1 percent and the Maritime region by 25.0 percent. The average size of farm and the improved land per farm increased during the same period by 22.1 percent and 24.6 percent respectively.

The total population of Kent County was 24,901 in 1971. The farm population was 2,149 or 8.6 percent of the total population. Of the total number of farms (401 in 1971) 377 were privately owned, 11 partnership, 10 family incorporated business and the remainder as other. Forty-one percent of the farm operators were 54 years of age and over.

Soil capability data includes the total land area (excluding large bodies of water, such as, lakes and rivers). Soil classes are shown for Kent County and for the various subdivisions within the county. There are no class 1 and class 2 soils in Kent County. Class 3 soil accounted for 340,000 acres or about 30 percent of the class 3 soil. Class 4 soil accounted for 41 percent of the total land area and class 5 soil 8 percent. The remainder is not considered as agricultural land.

CLASS 3

Soils in this class have moderately severe limitations that restrict the range of crops or require special conservation practices.

CLASS 4

Soils in this class have severe limitations that restrict the range of crops or require special conservation practices, or both.

CLASS 5

Soils in this class have very severe limitations that restrict the capability to producing perennial forage crops, and improvement practices are feasible.

Farm cash receipts from farming operations were available only on a provincial basis. Total cash receipts in New Brunswick decreased from \$53,317,000 in 1966 to \$51,599,000 in 1971 or by 9.6 percent in 1971. In the Maritime region farm cash receipt increased by six percent during the same period.

Economic class – The number of farms with sales of agricultural products of \$10,000 and over in Kent County increase from 22 in 1966 to 30 in 1971. In the category of \$5,000 to \$10,000 sales the numbers of farms increased from 29 in 1966 to 42 in 1971. In 1966 93.5 percent of all farms in Kent County had sales of under \$5,000 as compared to 81.8 percent in 1971.

Farms in Kent County with sales of \$10,000 and over in 1971 accounted for 7.5 percent of all farms in the county. In the province as a whole and the Maritime region this figure was about 21 percent. Farms in Kent County with sales from \$5,000 to \$9,999 amounted to 10.5 percent in 1971 of all farms in the county. The province and the Maritime region had 12.0 and 13.7 percent respectively during the same period.

Farms in Kent County with sales under \$2,500 amounted to 66.6 percent of farms in the county in 1971, the province had 52.2 percent and the Maritime region had 50.1 percent in this category during the same period.

Farms with sales of agricultural products of \$2,500 and more were grouped into four main categories: dairy, general cattle, hogs and sheep; poultry and forestry.

Livestock raising is the predominate type of farming in Kent County. Dairy accounted for 30.1 percent, cattle, hogs, sheep

(excluding dairy farms) with 38.3 percent, poultry with 8.3 percent and forestry with 5.3 percent. The number of cattle and sheep in Kent County decreased by 26 and 36 percent respectively from 1966 to 1971. Pigs increased by 75 percent, hens and chickens increased by 116 percent during the same period. Sales of livestock and livestock products accounted 60 percent of the total farm cash receipts in New Brunswick in 1971. This figure was not available for Kent County.

Field crops, other than small grains, accounted for 8.3 percent of the farms by type with sales of over \$2,500. Sales of field crops accounted for 36 percent of the total farm cash receipts in New Brunswick in 1971. This figure was not available for Kent County.

Education — The low level of education is one of the main problems facing agriculture today especially among the low income farmers.

The most recent information on education is that for 1961 for Canada and Provinces. However, this will give some indication of the education status of farmers. About 63 percent of the farmers in New Brunswick reported that they received elementary education of at least five years and 11 percent went on to secondary education. For the Atlantic region it was 54 percent and 23 percent respectively.

General information — On the basis of the statistical information shown for the five year period 1966 to 1971 on Kent County, New Brunswick, it may be concluded that a continuing deterioration in the agricultural situation will occur. If the objective is to have a viable agricultural industry in the area then significant adjustments in agriculture must be made. The size of farm appears to be one of the major factors which has a tremendous effect in maintaining the family farm. Size is determined by factors other than acreage alone. These include all the farm inputs and the type of farm. Size and the basis of economic class showed that in 1971, 66.6 percent of all farms in Kent County had sales of farm products under \$2,500. This indicated that the output from these farms was very small. It does not provide the necessary capital to increase his output. Farmers in this category have great difficulty in getting loans from regular money sources. If these farmers are solely depended on income generated from farm activities then it may well be that there are many farmers under employed. Due to the present high rate of unemployment in New Brunswick off-farm opportunities are inadequate to offset the low farm incomes.

Development Program — If agriculture is to play an important role in the economy of Kent County and the surrounding region in the future it is obvious that a development plan is required. First, a much larger percentage of the good (CLI Class III and IV) land should be in production, and secondly, the interest and capability of the people to operate and manage farms of an economic size employing modern technology must be established. Perhaps the latter is of the greatest significance since no matter how much land is available, if the management capability of the farmers is inadequate or lacking, there can be no real lasting progress toward developing a viable agriculture.

In addition to the farm problems there appears to be a very conspicuous social problem. The Small Farm Development Program when implemented will undoubtedly help some farmers to develop more profitable family farms and will assist those farmers who wish to take advantage of non-farm occupation or retirement. Most

attempts to assist farmers in the past have benefited those remaining in agriculture and especially the larger ones. The Small Farm Program has gone one step further than previous programs in that it provides assistance for non-viable farmers who wish to leave agriculture for other occupations or retire. However, this program was not developed to serve exclusively areas such as Kent County and therefore it does not meet all the developmental requirements.

Local Market — There is a local market for agricultural commodities produced in Kent County especially livestock and livestock products. Dairy, hogs and poultry are the main livestock produced in the area. There is some justification for development costs in the production of these commodities and probable others to meet local requirements but not for export. One must keep in mind that purchased livestock feed in the area is mainly subsidized. It would not be a sound basis to build an agricultural industry on subsidized feed.

Forestry — The forestry industry is very closely related to agriculture in Kent County. In 1971, 5.3 percent of the farms with farm sales of \$2,500 or more were classed as forestry. This meant that these farmers received at least 50 percent of their farm income from forestry. No doubt many more farmers received some of their

NUMBER, AREA, AND AVERAGE SIZE OF CENSUS FARMS,
1966 and 1971

	1966	1971	Percentage Change
	number		
<i>Number of Farms</i>			
Kent	782	401	-48.7
New Brunswick	8,706	5,485	-37.0
Maritimes	24,684	16,036	-35.0
	acres		
<i>Occupied Farm Area</i>			
Kent	138,097	86,194	-37.6
New Brunswick	1,811,695	1,339,133	-26.1
Maritimes	4,590,568	3,422,638	-25.0
<i>Average Size of Farm</i>			
Kent	176	215	+22.1
New Brunswick	208	244	+17.3
Maritimes	186	215	+15.6
<i>Improved Land Area</i>			
Kent	50,668	32,576	-35.7
New Brunswick	638,649	487,380	-23.7
Maritimes	1,694,307	1,367,532	-19.3
<i>Improved Land Area Per Farm</i>			
Kent	65	81	+24.6
New Brunswick	73	89	+21.9
Maritimes	69	85	+23.2

Source: 1971 Census of Canada, Agriculture, Statistics Canada.

"Census-farms" are defined as agricultural holdings of one acre or more with sales of agricultural products during the 12 months prior to June 1, 1971 of \$50 or more. This is the same definition that was used in the 1966 and 1961 Censuses.

income from woods work. Significant changes in the forestry industry has taken place in recent years. One important change is in the logging operation itself where new heavy machinery has replaced much of the manual labour required in years past. The same drive

for efficient operation in forestry is happening in agriculture. However, forestry is one of the few alternatives open to under employed farmers even on a part time basis in Kent County if they wish to remain as contributors in the rural communities.

POPULATION, TENURE, AGE AND RESIDENCE OF OPERATOR, TYPE OR ORGANIZATION FOR CENSUS-FARMS, 1971

	Unit	Kent	New Brunswick	Maritimes
<i>Population</i>				
Farm population ^a	No.	2,149	27,453	75,788
Total population	No.	24,901	634,557	1,535,158
<i>Tenure</i>				
Total number of farms	No.	401	5,485	16,036
Farm Classified by tenure of operator:				
Owner	No.	344	4,472	12,742
Tenant	No.	4	126	349
Part-owner, part-tenant	No.	53	887	2,945
Total area of farms	Acres	86,194	1,339,133	3,442,638
Area classified by tenure of operator:				
Owner	Acres	70,350	987,485	2,416,837
Tenant	Acres	1,231	21,056	47,727
Part-owner, part-tenant	Acres	14,613	330,592	978,074
Total area owned	Acres	80,735	1,234,119	3,123,650
Total area rented	Acres	5,459	105,014	318,988
<i>Operators</i>				
Farms classified by age of operator:				
Under 25 years	No.	9	75	231
25-34 years	No.	40	474	1,565
35-44 years	No.	68	995	2,998
45-54 years	No.	118	1,709	4,599
55-59 years	No.	70	837	2,404
60-64 years	No.	55	641	1,841
65-69 years	No.	25	389	1,184
70 years and over	No.	16	365	1,214
Residence of farm operators:				
Total number residing on farm operator	No.	393	5,288	15,461
9-12 months	No.	383	5,189	15,204
5- 8 Months	No.	4	68	169
1- 4 months	No.	6	31	88
Number not residing on farm operated	No.	8	197	575
<i>Type of organization</i>				
Private individual	No.	377	5,124	14,883
Partnership	No.	11	211	756
Institution or community pasture	No.	1	18	46
Incorporated business:				
Family	No.	10	118	306
Other	No.	2	14	45
Other type		-	-	-

^aPopulation living on all census-farms.

Source: 1971 Census of Canada, Agriculture, Statistics Canada.

SOIL CAPABILITY FOR AGRICULTURE
KENT COUNTY - NEW BRUNSWICK

Subdivision	Class 3		Class 4		Class 5		Class 6		Class 7		Class 8		Total Acres
	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	
Acadieville	27,642.0	34.90	36,473.0	46.05	6,592.0	8.32	—	—	3,515.0	4.44	4,978.0	6.29	79,200.0
Carleton	8,563.0	7.97	28,441.0	26.48	15,358.0	14.30	471.0	0.44	24,973.0	23.25	29,618.0	27.57	107,424.0
Dundas	15,743.0	27.92	38,373.0	68.06	1,271.0	2.25	—	—	997.0	1.77	—	—	56,384.0
Harcourt (incl. Huskisson)	91,851.0	24.13	168,888.0	44.38	20,104.0	5.28	—	—	70,817.0	18.61	28,916.0	7.60	380,576.0
Richibucto (incl. I.R.)	17,266.0	26.30	26,640.6	40.57	9,852.0	15.01	299.0	0.46	5,374.0	8.18	6,226.0	9.48	65,657.6
St. Charles	11,940.6	27.93	8,269.0	19.34	11,674.0	27.31	323.0	0.76	7,291.0	17.06	3,248.0	7.60	42,745.6
St. Louis	22,900.4	35.67	22,082.0	34.40	8,699.0	13.55	299.0	0.47	7,353.0	11.45	2,865.0	4.46	64,198.4
St. Mary	27,412.0	45.17	30,661.0	51.13	—	—	—	—	1,895.0	3.16	—	—	59,968.0
St. Paul	15,854.0	28.36	28,978.0	51.84	364.0	0.65	—	—	9,909.0	17.72	799.0	1.43	55,904.0
Weldford (incl. I.R.)	79,561.8	52.88	43,347.0	28.81	15,417.0	10.25	—	—	10,739.0	7.14	1,380.0	0.92	150,444.8
Wellington (incl. I.R.)	21,267.8	40.79	28,955.0	55.53	—	—	—	—	1,918.0	3.68	—	—	52,140.8
Totals + %	340,001.6	30.50	461,107.6	41.37	89,331.0	8.02	1,392.0	0.12	144,781.0	12.99	78,030.0	7.00	1,114,643.2

Note: (No class 1, 2)

Source: Canada Land Inventory.

FARM CASH RECEIPTS FROM FARMING OPERATIONS, 1966 AND 1971

	New Brunswick		Maritimes	
	1966	1971	1966	1971
— thousand dollars —				
Total crops	20,900	18,397	44,957	43,571
Total livestock and products	29,687	31,364	93,663	104,857
Forestry and maple products	1,342	1,028	3,046	2,340
Dairy supplementary payments	669	800	1,978	2,474
Deficiency payments ^{a/}	28	10	72	33
Supplementary payments ^{b/}	691	—	841	—
Total cash receipts	53,317	51,599	144,557	153,275

^{a/}Payments made under the authority of the Agricultural Stabilization Act.

^{b/}Payments made under the provisions of the Prairie Farm Assistance Act and other government assistance to farmers who suffered losses as a result of adverse weather conditions.

Source: *Farm Cash Receipts*, Cat. No. 21-001, Annual, Statistics Canada.

CENSUS-FARMS CLASSIFIED BY ECONOMIC CLASS, 1971

Economics class	Kent		New Brunswick		Maritimes	
	Number	percent	Number	percent	Number	percent
Total number of farms	401	100.0	5,485	100.0	16,036	100.0
Value of agricultural product sold:						
\$10,000 and over, total	30	7.5	1,160	21.2	3,369	21.0
\$50,000 and over	4	1.0	138	2.5	466	2.9
\$35,000 — \$49,999	3	0.8	132	2.4	342	2.1
\$25,000 — \$34,999	6	1.5	180	3.3	474	3.0
\$15,000 — \$24,999	7	1.7	344	6.3	1,015	6.3
\$10,000 — \$14,999	10	2.5	366	6.7	1,072	6.7
\$ 5,000 — \$ 9,999, total	42	10.5	657	12.0	2,187	13.7
\$ 7,500 — \$ 9,999	13	3.3	258	4.7	847	5.3
\$ 5,000 — \$ 7,499	29	7.2	399	7.3	1,340	8.4
\$ 2,500 — \$ 4,999, total	61	15.2	786	14.3	2,395	14.9
\$ 3,750 — \$ 4,999	24	6.0	293	5.3	949	5.9
\$ 2,500 — \$ 3,749	37	9.2	493	9.0	1,446	9.0
Under \$2,500, total	267	66.6	2,864	52.2	8,039	50.1
\$ 1,200 — \$ 2,499	80	20.0	865	15.8	2,485	15.5
\$ 250 — \$ 1,199	134	33.4	1,251	22.8	3,591	22.4
\$ 50 — \$ 249	53	13.2	748	13.6	1,963	12.2
Institutional farms, etc.	1	0.2	18	0.3	46	0.3

Source: *1971 Census of Canada*, Agriculture, Statistics Canada.

CENSUS-FARMS CLASSIFIED BY ECONOMIC CLASS, 1966

Economics class	Kent		New Brunswick		Maritimes	
	Number	percent	Number	percent	Number	percent
Total number of farms	782	100.0	8,706	100.0	24,684	100.0
Value of agricultural product sold:						
\$10,000 and over, total	22	2.8	934	10.7	2,626	10.6
\$35,000 and over	3	0.4	167	1.9	423	1.7
\$25,000 – \$34,999	1	0.1	118	1.4	283	1.2
\$15,000 – \$24,999	8	1.0	315	3.6	802	3.2
\$10,000 – \$14,999	10	1.3	334	3.8	1,118	4.5
\$ 5,000 – \$ 9,999, total	29	3.7	878	10.1	2,876	11.7
\$ 7,500 – \$ 9,999	10	1.3	346	4.0	1,075	4.4
\$ 5,000 – \$ 7,499	19	2.4	532	6.1	1,801	7.3
\$ 2,500 – \$ 4,999, total	92	11.8	1,126	13.0	3,631	14.7
\$ 3,750 – \$ 4,999	28	3.6	424	4.9	1,469	6.0
\$ 2,500 – \$ 3,749	64	8.2	702	8.1	2,162	8.7
Under \$2,500, total	639	81.7	5,751	66.0	15,497	62.8
\$ 1,200 – \$ 2,499	190	24.3	1,464	16.8	4,001	16.2
\$ 250 – \$ 1,199	308	39.4	2,588	29.7	7,011	28.4
\$ 50 – \$ 249	141	18.0	1,699	19.5	4,485	18.2
Institutional farms, etc.	—	—	17	0.2	54	0.2

Source: 1966 Census of Canada, Agriculture, Statistics Canada.

CENSUS-FARMS SALES OF \$2,500 OR MORE CLASSIFIED BY PRODUCT TYPE, 1971

	Kent		New Brunswick		Maritimes	
	Number	percent	Number	percent	Number	percent
Total farms with sales of \$2,500 or more	133	100.0	2,603	100.0	7,951	100.0
Dairy	40	30.1	821	31.5	2,469	31.1
Cattle, hogs, sheep (excluding dairy farms)	51	38.3	535	20.6	2,170	27.3
Poultry	11	8.3	111	4.3	301	3.8
Wheat	—	—	—	—	—	—
Small grains (excluding wheat farms)	—	—	4	0.2	24	0.3
Field crops, other than small grains	11	8.3	670	25.7	1,362	17.1
Fruit and vegetables	3	2.2	98	3.7	374	4.7
Forestry	7	5.3	119	4.6	239	3.0
Miscellaneous specialty	—	—	26	1.0	143	1.8
Mixed	10	7.5	219	8.4	869	10.9

Source: 1971 Census of Canada, Agriculture, Statistics Canada.

NUMBER OF LIVESTOCK AND POULTRY ON CENSUS FARMS, 1966 and 1971

Item	Kent			New Brunswick			Maritimes		
	1966	1971	Percent Change	1966	1971	Percent Change	1966	1971	Percent Change
Total census farms	— number —			— number —			— number —		
Cattle total number	782	401	-48.7	8,706	5,485	-37.0	24,684	16,036	35.0
Farms reporting	11,429	8,433	-26.2	136,467	112,686	-17.5	409,327	349,668	-14.6
Pigs, total number	656	330		6,788	4,020		19,947	12,326	
Farms reporting	1,956	3,420	+74.8	34,126	56,330	+65.1	174,532	237,031	+35.8
Sheep, total number	317	128		2,893	1,728		7,849	5,045	
Farms reporting	2,983	1,893	-36.6	28,235	17,256	-38.9	82,168	61,577	-25.1
Hens and chickens, total number	94	38		831	366		2,539	1,254	
Farms reporting	111,189	240,088	+115.9	1,338,828	1,761,982	+31.6	4,492,158	5,086,437	-13.2
	426	181		3,798	1,686		9,635	4,393	

Source: *Census of Canada, Agriculture*, Statistics Canada.

OFF-FARM WORK AND CAPITAL BY VALUE OF AGRICULTURAL PRODUCTS SOLD,
KENT COUNTY, NEW BRUNSWICK, 1971

Item		All Farms	Under \$2,500	2,500 4,999	5,000 9,999	\$10,000 and over
Total number of farms	no.	401	268	61	42	30
<i>Off-farm work</i>						
Days of off-farm work	days	24,734	19,816	2,971	982	965
Farms reporting	no.	173	131	24	9	9
Average per farm	days	143	151	124	109	107
<i>Capital</i>						
Total capital value	\$,000	8,867	3,567	1,441	1,540	2,319
Value of land-buildings	\$,000	4,845	2,059	682	836	1,269
Value of products sold	\$	1,597,540	241,930	218,540	287,270	849,800
Value of products sold	%	100.0	15.1	13.7	18.0	53.2
Taxes	\$	67,650	19,560	4,990	3,700	39,400
Farms reporting	no.	381	253	58	40	30
Average per farm	\$	177	77	86	92	1,313

Source: 1971 Census of Agriculture, Cat. No. 96-729 (AA-12)

OFF-FARM WORK AND CAPITAL BY VALUE OF AGRICULTURAL PRODUCTS SOLD,
NEW BRUNSWICK, 1971

Item		All Farms	Under \$2,500	2,500 4,999	5,000 9,999	\$10,000 and over
Total number of farms	no.	5,485	2,882	786	657	1,160
<i>Off-farm work</i>						
Days of off-farm work	days	379,393	287,564	47,274	24,003	20,552
Farms reporting	no.	2,328	1,549	360	206	213
Average per farm	days	163	186	131	116	96
<i>Capital</i>						
Total capital value	\$,000	173,212	55,387	19,863	22,228	75,735
Value of land & buildings	\$,000	106,607	39,199	11,605	12,648	43,156
Value of products sold	\$	46,886,230	2,650,610	2,792,370	4,640,190	36,803,060
Value of products sold	%	100.0	5.6	5.9	10.0	78.5
Taxes	\$	1,112,810	316,130	118,380	130,890	547,410
Farms reporting	no.	5,249	2,726	758	638	1,127
Average per farm	\$	212	116	156	205	486

Source: 1971 Census of Agriculture, Cat. No. 96-729 (AA-12).

DISTRIBUTION OF EDUCATION LEVEL OF FARMERS AND FARM WORKERS AND ALL OCCUPATIONS, PROVINCES, AND REGIONS, 1961 (most recent)
(LABOR FORCE MALE AND FEMALE 15 YEARS OF AGE AND OVER) (percent)

Occupation	Labor Force number	Highest Grade Attended					Some University	University Degree	Total	
		Elementary		Secondary						
		Less than 5	5 and Over	1 to 2	3	4 to 5				
Farmers and stockraisers	830	32.5	38.4	17.2	Newfoundland			1.7	0.4	100.0
Farm managers and foremen	27	11.1	44.5	7.4				14.8	3.7	100.0
Farm laborers	608	23.0	44.2	22.5				0.5	0.2	100.0
Gardeners and groundskeepers	208	26.4	51.0	16.8				1.4	—	100.0
Other agricultural occupations	17	29.4	35.3	29.4				—	—	100.0
Total farmers and farm workers	1,690	28.0	42.0	19.0				1.5	0.3	100.0
All occupations	112,310	16.4	31.6	23.4				4.5	1.7	100.0
Farmers and stockraisers	5,851	6.8	59.0	28.0	Prince Edward Island			0.9	0.2	100.0
Farm managers and foremen	33	12.1	36.4	15.2				3.0	9.1	100.0
Farm laborers	3,143	7.6	52.2	31.1				1.1	0.2	100.0
Gardeners and groundskeepers	126	15.1	54.0	19.0				3.9	—	100.0
Other agricultural occupations	29	6.9	41.4	34.5				—	—	100.0
Total farmers and farm workers	9,182	7.2	56.5	29.0				1.0	0.2	100.0
All occupations	34,148	5.5	40.6	29.3				4.2	2.3	100.0
Farmers and stockraisers	7,232	9.6	43.3	32.4	Nova Scotia			1.6	0.7	100.0
Farm managers and foremen	130	6.2	36.9	32.3				5.4	2.3	100.0
Farm laborers	4,106	11.7	48.2	25.9				1.4	0.2	100.0
Gardeners and groundskeepers	838	18.5	49.5	22.7				2.9	0.5	100.0
Other agricultural occupations	113	8.9	42.5	31.9				3.5	—	100.0
Total farmers and farm workers	12,419	10.9	45.3	29.6				1.7	0.5	100.0
All occupations	236,819	5.3	31.7	29.5				4.3	3.7	100.0

DISTRIBUTION OF EDUCATION LEVEL OF FARMERS AND FARM WORKERS AND ALL OCCUPATIONS, PROVINCES, AND REGIONS, 1961
(LABOR FORCE MALE AND FEMALE 15 YEARS OF AGE AND OVER) (percent)

Occupation	Labor Force number	Highest Grade Attended					Some University	University Degree	Total
		Elementary		Secondary					
		Less than 5	5 and Over	1 to 2	3	4 to 5			
					New Brunswick				
Farmers and stockraisers	7,098	19.1	62.6	11.2	3.7	2.2	1.0	0.2	100.0
Farm managers and foremen	110	10.9	52.7	17.3	9.1	3.6	6.4	—	100.0
Farm laborers	4,775	17.7	56.8	16.0	4.2	4.2	0.9	0.2	100.0
Gardeners and groundskeepers	598	14.2	62.4	15.4	3.8	2.7	1.2	0.3	100.0
Other agricultural occupations	135	11.1	48.9	18.5	8.2	12.6	0.7	—	100.0
Total farmers and farm workers	12,716	18.2	60.2	13.3	4.0	3.1	1.0	0.2	100.0
All occupations	178,355	9.7	40.8	20.4	10.6	11.4	4.2	2.9	100.0
					Atlantic Provinces				
Farmers and stockraisers	21,011	12.9	54.0	23.4	5.5	2.6	1.2	0.4	100.0
Farm managers and foremen	300	9.0	43.4	22.7	10.3	6.0	6.3	2.3	100.0
Farm laborers	12,632	13.5	52.3	23.3	5.6	4.0	1.1	0.2	100.0
Gardeners and groundskeepers	1,770	17.7	54.4	19.3	3.6	2.4	2.2	0.4	100.0
Other agricultural occupations	294	10.9	44.9	25.9	7.8	8.8	1.7	—	100.0
Total farmers and farm workers	36,007	13.3	53.2	23.2	5.5	3.2	1.3	0.3	100.0
All occupations	561,632	9.0	35.1	25.4	13.0	10.2	4.3	3.0	100.0
					Quebec				
Farmers and stockraisers	75,256	30.3	58.0	7.9	1.4	1.9	0.4	0.1	100.0
Farm managers and foremen	383	11.2	48.8	15.2	6.0	10.4	5.0	3.4	100.0
Farm laborers	50,774	13.6	65.0	14.8	2.7	3.3	0.4	0.2	100.0
Gardeners and groundskeepers	5,439	24.1	53.7	13.3	2.9	4.3	1.3	0.4	100.0
Other agricultural occupations	724	22.4	51.4	17.1	2.6	5.3	1.1	0.1	100.0
Total farmers and farm workers	132,576	23.6	60.4	10.8	2.0	2.6	0.4	0.2	100.0
All occupations	1,768,119	9.2	39.2	20.0	6.9	16.1	4.1	4.5	100.0

DISTRIBUTION OF EDUCATION LEVEL OF FARMERS AND FARM WORKERS AND ALL OCCUPATIONS, PROVINCES, AND REGIONS, 1961
(LABOR FORCE MALE AND FEMALE 15 YEARS OF AGE AND OVER) (percent) - Continued

Occupation	Labor Force number	Highest Grade Attended						Some University	University Degree	Total
		Elementary		Secondary						
		Less than 5	5 and Over	1 to 2	3	4 to 5				
Farmers and stockraisers	96,159	6.8	64.7	16.4	4.2	6.4	1.0	0.5	100.0	
Farm managers and foremen	1,294	3.7	47.3	21.3	6.4	13.7	4.0	3.6	100.0	
Farm laborers	62,729	7.0	54.6	22.3	6.2	8.6	1.1	0.2	100.0	
Gardeners and groundskeepers	10,137	10.5	53.8	18.6	5.1	8.1	3.1	0.8	100.0	
Other agricultural occupations	1,852	6.8	54.7	22.7	5.7	7.8	1.7	0.6	100.0	
Total farmers and farm workers	172,171	7.1	60.1	18.8	5.0	7.3	1.2	0.5	100.0	
All occupations	2,393,015	4.0	34.1	22.7	10.0	20.7	3.8	4.7	100.0	
Farmers and stockraisers	38,694	15.8	54.3	19.0	6.4	3.0	1.2	0.3	100.0	
Farm managers and foremen	189	5.3	41.8	29.1	7.4	7.9	4.8	3.7	100.0	
Farm laborers	19,311	12.7	52.5	21.5	7.5	4.5	1.2	0.1	100.0	
Gardeners and groundskeepers	1,303	15.6	42.4	22.6	6.7	5.8	5.8	1.1	100.0	
Other agricultural occupations	417	11.5	48.2	20.9	9.6	7.4	2.2	0.2	100.0	
Total farmers and farm workers	59,914	14.7	53.4	19.9	6.8	3.6	1.3	0.3	100.0	
All occupations	342,642	6.7	30.4	24.0	15.1	14.8	5.3	3.7	100.0	
Farmers and stockraisers	85,343	11.6	53.8	21.2	5.6	6.1	1.4	0.3	100.0	
Farm managers and foremen	285	4.2	45.3	29.1	8.1	4.9	5.3	3.1	100.0	
Farm laborers	32,547	8.8	49.8	24.8	7.0	7.4	2.0	0.2	100.0	
Gardeners and groundskeepers	831	15.9	54.0	12.8	5.4	5.3	6.0	0.6	100.0	
Other agricultural occupations	570	8.1	52.1	23.8	7.0	6.7	1.8	0.5	100.0	
Total farmers and farm workers	119,576	10.8	52.7	22.2	6.0	6.4	1.6	0.3	100.0	
All occupations	325,589	6.7	37.5	22.9	9.7	15.5	4.7	3.0	100.0	

DISTRIBUTION OF EDUCATION LEVEL OF FARMERS AND FARM WORKERS AND ALL OCCUPATIONS, PROVINCES, AND REGIONS, 1961
(LABOR FORCE MALE AND FEMALE 15 YEARS OF AGE AND OVER) (Percent) — concluded

Occupation	Labor Force number	Highest Grade Attended						Some University	University Degree	Total
		Elementary		Secondary		4 to 5				
		Less than 5	5 and Over	1 to 2	3					
Farmers and stockraisers	65,150	11.2	50.4	23.9	6.1	6.8	1.2	0.4	100.0	
Farm managers and foremen	420	3.3	40.7	28.6	8.3	13.1	3.8	2.2	100.0	
Farm laborers	35,663	8.7	45.9	26.2	8.1	9.4	1.6	0.1	100.0	
Gardeners and groundskeepers	2,084	9.5	44.2	22.2	7.6	9.2	6.4	0.9	100.0	
Other agricultural occupations	845	7.7	43.4	28.5	8.3	9.5	2.4	0.2	100.0	
Total farmers and farm workers	104,162	10.3	48.7	24.7	6.8	7.8	1.4	0.3	100.0	
All occupations	489,511	4.6	30.1	24.8	11.8	19.0	5.4	4.3	100.0	
Prairie Provinces										
Farmers and stockraisers	189,187	12.3	52.8	21.7	5.9	5.7	1.3	0.3	100.0	
Farm managers and foremen	894	4.0	42.4	28.9	8.0	9.4	4.5	2.8	100.0	
Farm laborers	87,521	9.6	48.8	24.6	7.6	7.6	1.6	0.2	100.0	
Gardeners and groundskeepers	4,218	12.7	45.6	20.4	6.9	7.4	6.1	0.9	100.0	
Other agricultural occupations	1,832	8.7	47.2	25.3	8.2	8.2	2.1	0.3	100.0	
Total farmers and farm workers	283,652	11.4	51.4	22.6	6.5	6.3	1.5	0.3	100.0	
All occupations	1,157,742	5.8	32.3	24.0	12.2	16.8	5.2	3.7	100.0	
British Columbia										
Farmers and stockraisers	11,781	10.0	43.6	21.6	6.5	13.0	3.8	1.5	100.0	
Farm managers and foremen	453	2.6	33.6	21.4	10.1	20.8	7.3	4.2	100.0	
Farm laborers	8,648	11.4	40.5	23.6	8.4	13.2	2.6	0.3	100.0	
Gardeners and groundskeepers	3,146	7.3	37.8	24.7	8.7	15.4	4.9	1.2	100.0	
Other agricultural occupations	427	10.3	35.4	27.4	8.0	15.2	2.1	1.6	100.0	
Total farmers and farm workers	24,455	10.0	41.4	22.8	7.6	13.6	3.5	1.1	100.0	
All occupations	577,648	3.2	24.0	24.2	11.3	25.6	7.0	4.7	100.0	

Source: Calculated from data in 1961 Census of Canada, Labour Force Catalogue Nos. 94-510, 94-511, 94-512, Dominion Bureau of Statistics.

EDUCATION LEVEL OF FARMERS AND FARM WORKERS AND ALL OCCUPATIONS, CANADA, 1961 (LABOR FORCE MALE AND FEMALE 15 YEARS OF AGE AND OVER)

Occupation	Highest Grade Attended					Some University	University Degree	Total
	Elementary		Secondary					
	Less than 5	5 and Over	1 to 2	3	4 to 5			
					number			
Farmers and stockraisers ^a	56,514	222,116	70,206	18,290	20,435	4,322	1,523	393,406
Farm managers and foremen	167	1,467	763	256	414	163	113	3,343
Farm laborers	22,425	120,088	48,023	13,341	15,327	2,696	431	222,331
Gardeners and groundskeepers	3,461	12,453	4,604	1,308	1,892	834	188	24,740
Other agricultural occupations	523	2,540	1,205	332	424	96	26	5,146
Total farmers and farm workers	83,090	358,664	124,801	33,527	38,492	8,111	2,281	648,966
All occupations	398,884	2,221,564	1,460,548	639,273	1,183,204	290,202	278,175	6,471,850

DISTRIBUTION OF EDUCATION LEVEL OF FARMERS AND FARM WORKERS AND ALL OCCUPATIONS, CANADA, 1961 (LABOR FORCE MALE AND FEMALE 15 YEARS OF AGE AND OVER)

Occupation	Highest Grade Attended					Some University	University Degree	Total
	Elementary		Secondary					
	Less than 5	5 and Over	1 to 2	3	4 to 5			
Farmers and stockraisers ^a	14.4	56.5	17.8	4.6	5.2	1.1	0.4	100.0
Farm managers and foremen	5.0	43.9	22.8	7.6	12.4	4.9	3.4	100.0
Farm laborers	10.1	54.0	21.6	6.0	6.9	1.2	0.2	100.0
Gardeners and groundskeepers	14.0	50.3	18.6	5.3	7.6	3.4	0.8	100.0
Other agricultural occupations	10.2	49.4	23.4	6.4	8.2	1.9	0.5	100.0
Total farmers and farm workers	12.8	55.3	19.2	5.2	5.9	1.2	0.4	100.0
All occupations	6.2	34.3	22.5	9.9	18.3	4.5	4.3	100.0

^aDue to differences in definition, the number of farmers and stockraisers in these and the following tables on education are not the same as the number of farms in the census of agriculture.

Source: 1971 Census of Canada, Labour Force, Catalogue No. 94-509, Dominion Bureau of Statistics.



FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA

PROCEEDINGS OF THE
STANDING SENATE COMMITTEE ON

AGRICULTURE

The Honourable HAZEN ARGUE, *Chairman*

Issue No. 4

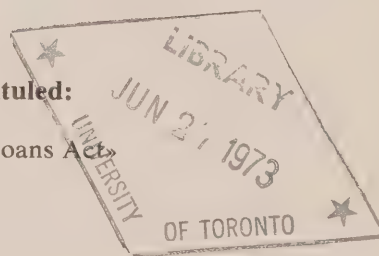
THURSDAY, MAY 31, 1973

Complete Proceedings on Bill S-5, intituled:

«An Act to amend the Farm Improvement Loans Act»

REPORT OF THE COMMITTEE

(Witnesses:—See Minutes of Proceedings)



STANDING SENATE COMMITTEE ON
AGRICULTURE

The Hon. Hazen Argue, *Chairman*.

The Hon. Hervé J. Michaud, *Deputy Chairman*

The Honourable Senators:

Argue	*Martin
Bélisle	McDonald
Benidickson	McNamara
Côté	Michaud
*Flynn	Molgat
Fournier (<i>Restigouche- Gloucester</i>)	Norrie
Haig	Petten
Hays	Phillips
Inman	Sparrow
Lafond	Welch
Lawson	Williams

**Ex officio members*

20 MEMBERS

(QUORUM 5)

Order of Reference

Extract from the Minutes of the Proceedings of the Senate, March 28th, 1973:

The Honourable Senator Argue moved, seconded by the Honourable Senator Lafond:

“That the Standing Senate Committee on Agriculture which was empowered by the Senate on 22nd February 1973, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada: provided that no special expenses shall be incurred by the Committee without specific authorization by the Senate and full compliance with Rule 83A, and that all Senators shall be notified of any scheduled meeting of the Committee and the purpose thereof and that it report the result of any such examination to the Senate, have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purposes of any such examination; and

That the Committee, or any sub-committee so authorized by the Committee, may adjourn from place to place in Canada for the purposes of any such examination.”

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier,
Clerk of the Senate.

Minutes of Proceedings

Thursday, May 31st, 1973

Pursuant to adjournment and notice the Standing Senate Committee on Agriculture met this day at 10.00 a.m. to consider:

Bill S-5: "An Act to amend the Farm Improvement Loans Act".

Present: The Honourable Senators Michaud (*Deputy Chairman*), Fournier (*Restigouche-Gloucester*), Hays, Inman, Lafond, Lawson, McNamara, Norrie, Petten and Sparrow. (10)

Present, but not of the Committee: The Honourable Senators Macdonald and McGrand. (2)

In attendance: Mr. E. Russel Hopkins, Law Clerk and Parliamentary Counsel.

The following witnesses were heard:

Canadian Federation of Agriculture:

Mr. Charles Munro, President;

Mr. Gordon Hill, President,
Ontario Federation of Agriculture;

Mr. Dave Kirk,
Executive Secretary.

Upon Motion of the Honourable Senator Petten, it was *Resolved* to report the Bill without amendment.

The Committee adjourned at 11.00 a.m. to the call of the Chair.

ATTEST:

Aline Pritchard,
Clerk of the Committee.

Report of the Committee

Thursday, May 31, 1973

The Standing Senate Committee on Agriculture to which was referred Bill S-5, intituled: "An Act to amend the Farm Improvement Loans Act", has in obedience to the order of reference of May 22, 1973, examined the said Bill and now reports the same without amendment.

Respectfully submitted.

Hervé J. Michaud,
Deputy Chairman.

The Standing Senate Committee on Agriculture

Evidence

Ottawa, Thursday, May 31, 1973

The Standing Senate Committee on Agriculture, to which was referred Bill S-5, to amend the Farm Improvement Loans Act, met this day at 10 a.m. to give consideration to the bill.

Senator Hervé J. Michaud (*Deputy Chairman*) in the Chair.

The Deputy Chairman: Honourable senators, as Deputy Chairman, I have been asked to chair this meeting. We are here this morning to consider Bill S-5, to amend the Farm Improvement Loans Act.

We are happy to have with us, from my right, Mr. Charles Munro, President, Canadian Federation of Agriculture; Mr. Gordon Hill, President, Ontario Federation of Agriculture; and Mr. Dave Kirk, Executive Secretary, Canadian Federation of Agriculture. Mr. Kirk is well known to us because he has appeared quite often at these meetings.

I understand that Mr. Munro would like to make a short presentation at this time.

Mr. Charles Munro, President, Canadian Federation of Agriculture: Thank you, Mr. Chairman.

We have noted with interest and a great deal of appreciation the fact that you have before you a bill to amend the Farm Improvement Loans Act, and I have a short presentation to make in this connection.

The Canadian Federation of Agriculture very much approves the direction and intent of this bill to increase the loan limits of farm improvement loans.

At the annual meeting of the Federation in early February our delegates adopted a motion asking that the legislation be amended to provide for a maximum of \$20,000 to be lent on land and of \$30,000 for other purposes. It would therefore like to see a \$50,000 loan limit. We recognize, of course, that the sum of the maximum amounts under the two sections need not total the overall maximum amount, and they do not in the bill. However, it was clear in the debates in our meeting that a \$50,000 maximum was desired. Moreover, since the bill appeared on the Senate order paper, we have circulated our members for their comment. The comments we received indicated that they would prefer to see the proposed \$40,000 overall limit raised to \$50,000. This is definitely the judgment of our members on this matter.

The farm improvement loan legislation is a very valuable instrument for attempting to ensure that short and intermediate term credit is available to farmers at reasonable rates. The amounts available must keep pace with

the capital requirements of modern farming; hence our support of this bill, and our request for expansion of the overall loan limit.

The Deputy Chairman: Now that you have heard the presentation by Mr. Munro, are there any comments or any questions?

Senator Hays: Mr. Chairman, the \$20,000 to be lent on land, is this in addition to any loan that might be made under the Farm Credit Corporation?

Mr. Munro: Well, I would say that it is not a case of one being balanced against the other. They come under two separate pieces of legislation, administered by two different departments of government, and I do not think that one is conditional upon the other at all.

Senator Hays: So, if the Farm Credit Corporation approves a maximum loan—and I understand that the Farm Credit Corporation can lend as much as they see fit, up to a maximum of \$100,000—the bank could come along and say to the Farm Credit Corporation, “We think you are wrong; we think you should have let him have another \$20,000”?

Mr. Munro: It might well be that the farmer’s position would indicate that he could handle that amount of money without any problem at all because of the limits applied to Farm Credit Corporation loans. I cannot see any parallel here. I realize that in certain instances people could be getting in a bit too deep, but I would not suggest that we should not give them the opportunity, because I know that many people can handle it without any problem. They are severely limited by the \$100,000 limit, which is long-term borrowing, while the other is considered as intermediate or short-term.

Mr. Gordon Hill, President, Ontario Federation of Agriculture: I think we should recognize that to get a farm improvement loan, a farmer must own a farm and must be on the farm and must be operating it, so he would first have to get his Farm Credit Corporation loan.

Senator Hays: He would have to get that first? But would there be a blanket on the land for the \$20,000 mortgage?

Mr. David Kirk, Executive Secretary, Canadian Federation of Agriculture: The point here, is, of course, that under a farm improvement loan you have to buy land with the loan for land.

Senator Hays: This is for extra land?

Mr. Kirk: It is for land that you have to buy, and you have to have a first mortgage security on that. You could not

secure the rest of your farm on one of those loans if you had a first mortgage already tied up on the FCC. The regulations provide that you must buy the land. You borrow it for the purpose of purchasing land, and you must have the security of the first land.

Senator Hays: Wouldn't it have been better to increase the Farm Credit Corporation loan to make the maximum \$120,000? You have two agencies, one lending money and one saying it is all you can borrow from them, with another saying they will give you an additional \$20,000.

Mr. Hill: One situation where this \$20,000 comes in especially handy is to buy a farm and get moving on it right away. It can be handled much more speedily at your local bank than through the Farm Credit Corporation because legal delays are avoided. So, this is much quicker and allows a farmer to move in and buy a piece of property for which he can obtain the money right away.

Mr. Kirk: Another point is that an additional small parcel of land can be purchased without re-negotiating the whole FCC loan, which can be a difficult and sometimes expensive procedure, depending on the interest rates position.

Mr. Munro: It also depends upon the size of the holding the farmer has, because lawyers' fees are based on the size of the holding already owned by the farmer, which can be very expensive, for adding a small addition.

Mr. Hill: I would hope that we would not lose sight of the need also to amend the Farm Credit Corporation Act. It certainly deserves a great deal of consideration, but we do not wish to discuss both of them here.

Senator Hays: They are not in conflict, though, as far as you are concerned?

Mr. Hill: No, they are complementary and work together very well.

Senator Lawson: There are two separate agencies and two separate pieces of legislation. Are the interest rates prescribed the same under both pieces of legislation?

Mr. Hill: Not necessarily.

Senator Hays: This could be higher.

Senator Lawson: Who would make that determination?

Senator Hays: The bank, would it not?

Mr. Munro: Mr. Chairman, not necessarily so; it depends when the Farm Credit Corporation loan was negotiated and received by the recipient. FCC loans are based on the interest rates of the Bank of Canada when money is available. If that loan was negotiated at a higher interest rate that applies throughout.

Senator Hays: But it can be re-negotiated at a five-year interval.

Mr. Munro: No, it cannot unless it is repaid.

Senator Hays: The farmer must find the money?

Mr. Munro: Yes, but the joke is that he must find the money and also cover it. I believe it would need re-negotiation, but I may be wrong.

Senator Hays: It would be a roll-over.

Mr. Munro: Extensive legal costs for research must also be paid, which I think would bring the farmer up short in balancing whether it is advisable to even re-negotiate. It may be advisable if he is only borrowing say \$50,000 and has a son coming into the business. He may then wish to add a parcel of land in order to take up the full extent. In that situation I can understand a farmer re-negotiating, but he is subject to the interest of the day, whereas farm improvement loans follow much closer because they are short-term. They are at interest of the day, but the interest of the day has a more fluctuating movement.

Senator Lawson: Who makes the determination of the interest of the day? Who would determine whether it was the rate of the farm improvement loan or the prime rate plus?

Mr. Kirk: The general rule in the regulations for interest rates on farm improvement loans is that they are re-established every six months, first of all, on a formula basis. There are two rates: one on land; and one on other assets. They are both established on the basis of the yields of Government of Canada bonds during the previous six months, to give a base rate. In the case of land, which is the higher rate, the average rate of a range of securities which will mature in one to 10 years is taken. In the case of other assets a range of securities which mature in one to five years is used. One per cent is added to those base rates.

Senator Hays: It is the cost of money, plus 1 per cent.

Mr. Kirk: In fact, those rates are not being used now. I would not want to mislead you. The point is that as of last September the rates have been calculated on the formula and were higher last September and again six months later, at April 1, than the present rates. The regulations were therefore changed to provide that notwithstanding other sections of the regulations the rates shall be this, which is what they are, 7 per cent and 6½ per cent.

Senator Lawson: When you say this is what happens for the purposes of loans for the purchase of land and other things, what do you mean by "other things"?

Mr. Kirk: Farm machinery, drainage, land clearing—everything else.

Mr. Hill: But not for operating capital, such as buying feed or paying wages and so on.

Senator Macdonald: Is any difficulty experienced in getting the banks to make these loans?

Mr. Hill: There is difficulty at the moment; I am speaking for Ontario. A number of our members complain that they cannot obtain a farm improvement loan, but their bank will give them a loan at the regular interest rate. We have contacted the head office of that bank in Toronto and complained. We were advised that head office leaves it to the discretion of the local branch and does not direct the local bank manager not to make loans. However, they did not tell us that they directed the manager to make loans. Certainly, if a lower interest rate prevails and the money is to be made available to farmers, there must be some compelling force for head office to direct the local branch manager to make farm improvement loans, or he will not.

Senator Hays: In most cases he does not.

Senator Macdonald: He probably prefers to make loans at the higher rate of interest.

Mr. Hill: That is right. One factor is that if there is competition between banks in the area, of which there very seldom is evidence, it does help somewhat.

Senator Lawson: It is easier to get a "red convertible loan" than a farm improvement loan, is it?

Mr. Hill: Yes, very much so.

Senator Lawson: What establishes the amount of money? We can increase it by this legislation, but if there is not some method of increasing the allocation of moneys, we really do not accomplish anything by such a piece of legislation. Originally, somewhere, there must have been a large amount of money, or a fixed amount of money designated for farm improvement loans. If we pass a piece of legislation such as this, that makes available on paper another \$2 million, \$5 million or \$10 million, where is the original source? Where does the money come from? Who sets it aside?

Senator Hays: The farm improvement loan is the money obtained by the farmer from the bank, which the government guarantees. That is the principle, and he does not need so much land. This is the change in the legislation, so that he can borrow more on land. It used to be just on chattels and the bank would lend the money at a certain interest rate, no matter what the prime rate was, the government guaranteeing this maximum. The farmer generally borrowed more than this and the bank would tell him that out of a loan of \$50,000 they would place \$20,000 under the farm improvement loan. It used to be a stationary rate of 5½ per cent and did not float, but now it does float. The next \$10,000 would be lent at 7 per cent, and if he was not a very good risk he would go to 8 per cent on the next \$20,000 and then take the average.

Senator Lawson: But the government did not guarantee that.

Senator Hays: The government guaranteed the \$20,000.

Senator Lawson: But the government did not give the bank a million dollars to lend on its behalf for farm improvements.

Senator Hays: No, and if you talk to the head man at the bank, as Mr. Hill did, you will be told the branch manager looks after it. Then the head man tells the branch manager he would be crazy to make those loans because this is all the money he has to loan.

Mr. E Russell Hopkins, Law clerk and Parliamentary Counsel: However, there are maximum amounts which can be guaranteed; they can be totally guaranteed.

Senator Lawson: Senator Hays explained it for my benefit. I can understand a banker who says "I have X amount of dollars to lend. I have to generate so much in this branch by way of interest. If I am compelled, as a result of this, to make all my moneys available for farm improvement loans, I am going to have to make other kinds of loans, for red convertibles and everything else, that produce a high interest rate in order that I can do a better job for my bank." If we do not find some way of making more money available, we will really accomplish nothing.

Senator Hays: You mean, the bank in this instance would have to quote so much for farm improvement loans. But they do not do that.

Mr. Hopkins: But there is the advantage of the guarantee.

Mr. Hill: There should be something that compels them to do it.

Senator Lawson: There should be something in the legislation which says that each chartered bank shall make available—if it has a budget of \$500 million in loans—not less than 10 per cent for loans of this type. If we do not do something like that, we are simply making a dry judgment on something which is not available.

Mr. Hill: It would certainly make it much more effective if this were done.

Senator Hays: But it is controlling business.

Mr. Hill: Actually, you would be helping business, because the government is guaranteeing the banks. Wouldn't the whole community be much better off if farmers had access to more capital and if the farming community was more financially secure? After all, the Agricultural Economics Research Council says that 32 per cent of the gross national product is generated because of the farming and food industry.

Senator Lawson: That is really my point. We keep having all kinds of special study groups looking for more and more ways of helping farmers. If they would start by making easier money available at less interest rates, it would seem to me to be a very direct way of helping. I think we are going only half way here.

Senator Macdonald: You might provide a subsidy.

Senator Hays: We used to do that. There was a time when these loans dried right up. The banks did not lend anything, because it was set at 6 per cent. The interest rate was tied to 6 per cent. When they let it float—I think it was then 5 per cent. They were tied to 5 per cent, but the banks did not lend any at 5 per cent.

Senator McNamara: Did I understand Mr. Hopkins to say there is an overall limit on the amount that the government can guarantee the banks?

Mr. Hopkins: Right.

Senator McNamara: Do you know what that limit is?

Senator Sparrow: It is \$1.2 billion, of which \$900 million is through the regular banks and \$300 million through credit unions.

Senator Hays: How much is used?

Senator Sparrow: In the last year, \$181 million. That guarantee is for a three-year period, of which last year the figure was \$181 million. It is \$1.2 billion over three years.

Mr. Hopkins: Perhaps I should say that there would be difficulty in the government initiating legislation to subsidize it. This may only go half way, or not far enough, but it is about as far as we can go. The only reason we can go this far is because we are not touching the overall amount that the government can guarantee. I understand the government has under study all guaranteed loans and will be coming forward with suggestions in due course. It may

well be that the place to make a presentation, or to raise the matter of a more effective way of inducing the banks to make the loans, would be directly to the government. But this is about as far as we can go. This is a Senate bill. We are introducing it here. We are not touching the overall amount that the government can guarantee. We are only making it easier to get more money for a particular transaction.

Senator Sparrow: The bill is really making an additional \$15,000 available to any farmer who qualifies for a loan.

Mr. Hopkins: Per transaction.

Senator Sparrow: Per transaction, yes. Although I do not have the figure for 1972, in 1971 there were 46,000 loans. So it is being used. The majority of these loans are made in the Western provinces, although they are available all over Canada. Those 46,000 loans in 1971 represented \$147 million. Although I do not have the actual number of loans in 1972, the amount increased to \$181 million in loans. So it is being used extensively by farmers. The average loan in 1971 was only \$3,156; but some farmers would have the maximum amount.

Senator Hays: Would you not think, Senator Sparrow, that if you examined the 375,000 farmers in Canada, you would find that most of them take out other loans where the interest rates are a little better? He would be a smart farmer if he said, "How much will you give me on a farm improvement loan?"; and it would be in combination with another loan. Most bank managers say, "If they ask for them, we will give it to them."

Senator McNamara: Did you say the average loan is \$3,000?

Senator Sparrow: Yes.

Senator McNamara: They cannot be charging too much if the average loan is \$3,000.

Senator Hays: No; but the maximum is not very large. Most of these people are pretty small farmers. What good is \$5,000 on a farm today?

Senator Lawson: Senator Sparrow mentioned \$181 million of that \$1.2 billion guarantee. That is only about 15 per cent.

Senator Sparrow: Over three years. If they used \$600 million dollars of that guarantee, they would be using only half of the guarantee. I understand that the officials of the Department of Finance charged with the operation of this indicate that the ceiling is certainly high enough to look after the amount of increase in the bill.

Mr. Hopkins: I would like to ask Senator Sparrow whether he thinks that would apply to the higher limits suggested by the witnesses.

Senator Sparrow: I would say, yes. I am sure the limit would still be sufficient were the amount increased the additional \$10,000 that you are suggesting. I would not be prepared to say that for sure this morning, but I think it would be.

Mr. Hopkins: It would not really affect our right to make amendments; but if it turned out that there was not enough money, it might not be very effective and the House of Commons might turn the bill around.

Mr. Kirk: Mr. Chairman, I think the act limits the banks' liability. It does not limit the amount of lending under the act. It limits it in total terms and also per bank, in thousands of dollars and hundreds of thousands of dollars. So that is a limitation of the extent on the government's liability; it is not a limitation on the extent of the aggregate lending. There is a distinction there. The loss experience has been very small. There is really no problem there.

Senator Hays: Is there any big hurry for this bill? Why do we not bring in a banker and examine this? I do not think the Farm Improvement Loans Act has ever worked satisfactorily, the way people would like it to work. If we could examine some of these people as witnesses and find out how they handle it, it would be interesting. I do not think it has ever been done. Certainly, it has never been done in the Commons, as far as I know. Perhaps we should have an opportunity of bringing in the president of a bank and saying, "How do you handle this, and what do you allocate?" I think that way we could get at the root of some of these problems. He could tell us why they do not do it. I think it would be a good exercise.

Senator Sparrow: I might just comment again, Mr. Chairman, if I may, that I have been in contact with the Department of Agriculture—and Mr. Hopkins mentioned this earlier—and all guaranteed loans are in fact under review. There probably should be other changes in this bill as well, but it would appear to me that such bills, under the normal process, would not come before Parliament for at least another year. Perhaps when a totally amending bill does come forward it would be of great assistance to call on these people.

The purpose of Bill S-5, as I see it, is to get that extra \$15,000 into the hands of the farmer now, when he needs it and the country needs it. We need to expand our cattle and grain industries now, because in another year our markets might start to dwindle again. This is a method whereby we are trying to get this legislation passed in this session.

Mr. Hill: Certainly, there is some urgency to this because of the accelerating costs of machinery, and so forth.

Senator Sparrow: You seem to indicate that under the Farm Credit facilities at present there is a definite shortage. Apart from this, are there other areas concerning which you are advocating change as far as loans are concerned? Are you talking about changes in the Farm Credit Corporation amounts, availability of loans, and so forth, and do you have other ideas as to what type of loans should be made available to farmers?

Mr. Munro: Mr. Chairman, we did take the position, and still do, that the loan limits should go up under FCC. I believe that is the only directive that we really have in that respect.

Mr. Hill: There is another one, and that is for open-end mortgages. That was passed at the convention this year. This would remove the necessity of paying off a mortgage every time you want to increase the size of your mortgage, and, or course, it would also eliminate the significant legal fees involved, which go to the lawyers' "guaranteed annual income fund." Many farmers hesitate to enlarge their operation because of this, and that is part of the problem. The whole area of farm credit, including long-

term loans, intermediate loans and short-term loans, needs an entirely new approach.

The Ontario Federation of Agriculture has had some contact with the head offices of the chartered banks, as well as the Canadian Bankers Association, and it is our opinion that the banks are not really overly interested in lending money to farmers. It is more or less a side effect. Whether or not loans are made to farmers depends entirely on the interest of the local branch manager. If the local branch manager is interested in the farming community, then he will make the money available to them. However, if the local branch manager is not particularly interested in farming, or does not know anything about farming and does not get interested in it, then it is extremely difficult for farmers in that area to borrow money from his bank. This is the cause of a great deal of concern because of the need to expand the size of farms and our need to make them more efficient.

Operating costs are rising rapidly. You will note that for the first quarter of this year the cost of goods and services in operating a farm in Canada has gone up by approximately 6 per cent, and I suspect that it is going to go up even a greater amount in the second quarter. The cost of goods and services in operating a farm in Ontario has gone up, I believe, by 7½ per cent, or something in that order. Costs are just escalating fantastically.

What are the sources of credit? If our farming industry is going to be modernized so that it keeps pace with the needs, we have to have a much more effective credit system. Certainly, the Farm Credit Corporation Act badly needs change. It is badly out of date. The Farm Improvement Loans Act also needs to be changed. There has to be another source of funds for operating capital. Logically, the chartered banks are the people to provide this, but they are certainly not meeting the need of a great many farmers today.

Senator Hays: The maximum now under the Farm Credit Corporation is \$100,000 for land, is it?

Mr. Hill: Yes.

Senator Hays: You do not think there should be any limit at all?

Mr. Hill: I believe our official position is for a limit of \$250,000.

Senator Hays: Why have any limit?

Mr. Munro: That is a good question.

Senator Hays: I do not believe there is a limit in Holland, for example.

Mr. Hill: It is difficult in a country like Canada to have a meaningful limit which is the same all across the country because of the wide variation in land prices.

Senator Hays: It seems to me that you should not have any limit and you should have roll-over privileges.

Mr. Munro: Yes.

Senator Hays: I do not see any reason why Parliament would not consider legislation to that effect. I do not think you would have too much difficulty were such a bill introduced. There should be no limit and there should be roll-over privileges. In Holland the amortization is 60

years with roll-over privileges. In Canada, I believe, it is around 25 or 30 years.

Mr. Munro: It is 29 years' amortization.

Senator Hays: The average person buys a house which he never pays for. He rolls it over and buys another one and then the banks, and so forth, are after him to take a holiday, if he has equity.

Mr. Hill: I wish we shared your confidence, Senator Hays, in Parliament.

Senator Hays: Well, you should not have defeated me; I would have gotten it through.

Mr. Hill: We see the error of our ways now, senator. Fortunately, you are still here to help us out.

Mr. Kirk: Our general policy for a number of years has been that there should be a package credit service available to the Canadian farmer. There should be one place where the farmer can go and get his credit as a total package. You cannot do that now. The Federation at one time recommended that this should be done through the Farm Credit Corporation, and I think we would still approve of such a policy. There has been a good deal of discussion as to the possibility of setting up a co-operative credit system patterned on the one in the United States, but that would be a very large undertaking.

The other matter I want to bring out relates to whether or not there should be FIL money available to provide a range of purposes, most particularly, for working capital. We have not had a resolution as yet in this respect, but we are going to review this whole area in the light of the fact that legislation is going to come up in a more overall way next spring, presumably. I think you can buy a breeding herd now under FIL financing, but you cannot use it for your working capital requirements. I think there will probably be a demand to broaden it out in that respect.

Mr. Hill: One of the big problems in agriculture in Canada is the dependence on how much security the farmer has. It is difficult for a farmer, because of the prices we have had in the past, to develop a lot of security. His borrowing ability is based on the amount of security he can provide. With the banks, if the farmer really needs credit, he cannot get it and if he does not need it, he can get what he jolly well wants.

Senator Hays: Do you really believe that you should have two different sources of money, one through the Farm Credit Corporation for land and the other through the Farm Improvement Loans Act? Do you think it is desirable to split those two?

Mr. Hill: You mean for land?

Senator Hays: Yes.

Mr. Hill: I certainly do.

Senator Hays: You think there should be two agencies lending money for land?

Mr. Hill: I certainly think it is desirable that you can borrow money under the buy-out program for land.

Senator Hays: And Farm Credit Corporation.

Mr. Hill: And Farm Credit Corporation.

Senator Hays: If there was no limit on Farm Credit Corporation, do you think that would be a better way of financing land and roll-over?

Mr. Hill: The problem I see with Farm Credit Corporation is the difficulty of getting a decision quickly enough.

Senator Hays: That is an administrative problem.

Mr. Munro: That is a very difficult job.

Mr. Hill: It is a very real problem.

Senator Hays: Where the banker deals with it. Is that the only reason you think it should be separated? Suppose you decide that on land you want to increase it to \$30,000, you owe the Farm Credit Corporation \$100,000 and owe this agency \$30,000. Do you feel it is better separated, or do you think it should be together?

Mr. Munro: Let me answer this from a straight farmer point of view. If a man wants to buy a piece of machinery he has to go to a central office administered by FCC. Probably too many of them are now taking the easy but very expensive way of using the financing by these machinery companies from their financing agencies, so much so that I am alarmed at the amount of interest they are paying and the amount of commitment they are accepting on interest. If he can go to the local bank, which usually is situated fairly close by, I think that could serve a very real need. I agree there should be co-ordination between them and better overall policy developed. I would hate to see, from my point of view, because some agency is within fairly easy access within the community, more farmers pushed into accepting very expensive financing by these financial agencies that work through the various machinery companies.

Senator Hays: What is your feeling about two agencies lending money? Do you think that would be better than one, or do you think it is preferable to have two? We have \$100,000 here and now we are asking for \$20,000 additional in a different agency. Do you think it would be better in one agency, or better to have two different agencies?

Mr. Munro: Maybe my thrust was primarily directed towards the equity for machinery purchases and breeding herd purposes rather than land. I can see some complication here. There is also the problem of dealing with a slower moving agency that must go through a very expensive search of title, according to their own definition, in order that they can issue a mortgage, whereas the bank, through FIL, has been able to react faster, but I am concerned about the extent.

Senator Hays: Are you saying that if it were administered as you want it, you would sooner have all the land through one agency?

Mr. Munro: If you could have a roll-over provision, where you did not have to go through this very expensive guaranteed annual income for the legal profession.

Mr. Hill: There is another reason why there should be two agencies, and that is because of the amount the farmer has to pay down. When you go through Farm Credit Corporation you can get up to 75 per cent of their appraised value, and the farmer has to find the other 25 per cent somewhere. If he wants to add to his holding, if he wants to buy another piece of land, somewhere he has

to find some money for his equity. If he can get it through a farm improvement loan and make his down payment out of that, then borrow the rest from the Farm Credit Corporation, this is an acceptable way of doing it.

Senator Hays: You mean he would use this \$20,000 for part of his 25 per cent?

Mr. Hill: Yes. Would that not help?

Mr. Munro: It would certainly help.

Senator Hays: Would that be a second mortgage or a first mortgage on the property, as far as the bank is concerned? What would the security be—just a government guarantee?

Mr. Hill: I am not sure how that would work, but it would be desirable to be able to do it that way.

Senator Hays: How does it work in the bill?

Senator Sparrow: There is no connection between the two loans. First of all, I do not see any way you could buy a chunk of land, borrow the down payment under a farm improvement loan and use that money under the Farm Credit Corporation, because of the rules of the Farm Credit Corporation.

Senator Hays: That is my point.

Senator Sparrow: It is not necessarily this bill; it is under the Farm Credit Corporation.

Senator Hays: I just do not think you can get this bill through on this basis, where you will have \$20,000 here and \$20,000 there. I think you will run into all kinds of difficulties.

Mr. Kirk: It has been changed in recent months.

Senator Hays: What were they lending before on land?

Senator Sparrow: \$15,000.

Senator Hays: \$15,000, and you got the \$20,000.

Senator Sparrow: You got the \$30,000. You could borrow \$15,000 on land or "other" to a maximum of \$25,000 for both. Now it is a maximum of \$40,000, and \$30,000 for "other".

Mr. Hopkins: That is the present bill.

Senator Sparrow: If they raise it to \$50,000, they would change the amount again.

Senator Hays: Is the rate of interest in the bill, on the land and chattels, the same?

Senator Sparrow: No, 7 per cent on land and 6½ per cent on "other."

Senator Hays: How does the 7 per cent on land compare with the Farm Credit Corporation? It fluctuates, doesn't it?

Senator Sparrow: Yes. It is about one per cent less than the Farm Credit Corporation.

Mr. Munro: I am not sure, but I think the Farm Credit Corporation is around 7½ per cent now.

Senator Sparrow: Roughly 8 per cent.

Mr. Munro: There are loans out at more than that, because they were negotiated when the cycle was higher.

Senator Petten: Do I understand that if you buy breeding stock you can get a farm improvement loan for that purpose, if you have all the other qualifications, at 6½ per cent?

Senator Sparrow: Yes.

Senator Petten: If the bank would agree.

Senator Sparrow: Yes.

Senator Hays: And it is guaranteed.

Senator Sparrow: And it is guaranteed.

Senator Hays: That would be a half per cent less than the farm rate today.

Senator Petten: The prime lending rate is around 7 per cent now, three-quarters of one per cent more.

Senator Hays: So the little branch manager is not going to lend much at that.

Senator Petten: Certainly it is not very encouraging for him to do so, but that is again the key. If it is provided for, it should be available if he meets all the other qualifications.

Senator Hays: As Mr. Hill says, if he does not need it he can say that so much of the \$20,000 is at 6½ per cent, then the banker can decide whether he wants to lose or keep the account.

Senator Sparrow: I think the witness has made this point. There are times when a farmer may want to pick up the quarter section next to him for pasture land; he needs the money quickly, and he might need only \$3,500 for that quarter of land. He can go into the bank, if his credit is good, and he will have the money that afternoon; he can pay the cash for it, and he may pay off the loan in the fall from the income that is generated. If he goes through the Farm Credit Corporation it might very well take him six months to get it before the loan board, and by that time he could have had it paid off. As was said, it does seem that there is a guaranteed annual income for the lawyers.

Senator Hays: What is the law fee on negotiating a loan of \$20,000?

Mr. Munro: It involves searching the title and the whole holding.

Senator Hays: What is the fee?

Mr. Munro: I cannot tell you what it is.

Mr. Hill: It varies from province to province and county to county. The various bar associations set different rates in different areas.

Senator Sparrow: You would not buy much for \$400 or \$500.

Senator Hays: What is the rate? I am very interested to know what that rate is. Do we know, Mr. Hopkins?

Mr. Hopkins: I do not know.

Senator Hays: Isn't there some standard?

Mr. Hopkins: It could be ascertained.

Senator Hays: Could we have that information, Mr. Chairman, as to what is actually paid to a solicitor for the sale of land? On a \$35,000 house it is around \$350 or \$400. That is something one would want to look at. Girls do the work most of the time in an office.

Mr. Hill: Girls do it, but that does not affect the rate the farmer pays.

Senator Hays: The government can determine what the rate is to be, if they so desire, as they do with other mortgages.

Mr. Hopkins: We would need an expert witness in the field, and I do not know who that should be. I could find out.

Mr. Kirk: That can be obtained from the farm Credit Corporation. They have a contractual arrangement with those people. Certain lawyers are on their list, and they understand what the charges are going to be.

Senator Hays: The way you are talking, Mr. Munro, it seems fantastic. I did not think the fees were all that high.

Mr. Munro: There is another problem here which was expressed at CFA meetings, where people are complaining about the slowness, in some areas, of the legal profession in processing these loans, because the lawyers tend to leave it as a "guaranteed income" for a rainy day. I am using that as a principle. They will process this business when there is not too much pressure on them and when there is not other work to be done. This has been a problem in some areas. It is not necessarily so completely across the country. It has slowed up loans. This would indicate the need to have another agency, other than this FCC, to make at least the smaller loans.

Mr. Hill: We should recognize also that it is not only the lawyers who represent FCC out in the community: it is the lawyer who represents the farmer as well.

Senator Hays: He can use his own lawyer; he does not have to use the FCC lawyer.

Mr. Hill: That is right. When he does use the FCC lawyer, that lawyer is paid twice, once for acting for the FCC and once for acting for the farmer.

Senator Hays: You mean, he is charging double fees? Do you have any evidence of that?

Mr. Hill: Certainly.

Senator Hays: Could we have some of these cases? I would be very interested.

Mr. Hill: We can see what evidence we can get on it, but certainly if a lawyer acts for a buyer and a seller they both have to pay.

Senator Sparrow: As a matter of clarification, the FCC designates a lawyer to handle it. That means that that lawyer handles it for both parties. The only reason a farmer would go to another lawyer is to check on the first lawyer. If the second lawyer went through all the stages in turn—which would be totally unnecessary—surely, he would have a right to have the same fee, but it would be

highly unlikely to happen that he would go through all the stages and charge \$500.

Mr. Munro: My concern is with the statutory lawyer from FCC and his fees, which vary across the country, as already stated.

Senator Hays: Is his fee not set, Mr. Hopkins?

Senator Sparrow: They are all set on various bases.

Senator Hays: It seems to me they are, but I may be wrong.

Mr. Hopkins: I am not an expert and I would want to discuss it with someone.

Senator Hays: You are an expert on everything.

The Deputy Chairman: We could adjourn after we have completed the questioning and discuss it, or call someone in.

Senator Sparrow: This has nothing to do with this bill. That is a question about the Farm Credit Corporation, whereas this bill deals with farm improvement loans. The question being asked is not relevant to this bill.

Mr. Hopkins: It is a good question, but not relevant to the bill.

The Deputy Chairman: We could bring it up at some other meeting.

Senator Hays: Senator Sparrow was about to say something on it.

Senator Sparrow: I am not being critical of this discussion at all, but to go to the extent of bringing other witnesses on it is not relevant to the bill.

Senator Hays, through the chairman, I think that when we have examined the witnesses who are with us, it would be informative to question them on the broad scope of agricultural problems, as far as we can, when they are before us.

The Deputy Chairman: You are saying that we could call another witness pertinent to the question by Senator Hays, at some other meeting?

Senator Petten: I move we pass the bill—without the amendment.

Senator McNamara: In regard to the maximum that we have here, I would like to know where the figures \$40,000 or \$30,000 came from—the figures we are considering in the present bill.

Senator Sparrow: Those are my figures.

Senator McNamara: And they were discussed with the department?

Senator Sparrow: May I answer that? The amount was an educated guess, or some may call it an uneducated guess, as to whether it should go up to \$40,000 or \$50,000 or \$60,000. The reason I put the extra amount in as \$15,000, rather than \$25,000 that you are asking for, is that I thought that probably would be the easiest amount, to get the bill passed, to remain under the maximum, without any argument about the umbrella of \$1,200 million. Even to go to the \$50,000, it might still fit under that umbrella,

but I was not so positive, and I thought that by doing it this way, we would raise the amount coming to the farmer. That is the reason the \$15,000 was chosen.

We checked on this. I am sorry, in that I should not be saying this, because witnesses should say it. We checked with the Department of Finance, and their departmental officials said they thought this amount was best and would still get under that umbrella so they would not have to cancel any loans halfway through the term. We did ask the Department of Finance officials if they would like to appear. They did not wish to appear, and stated so. It seems to me that if they had any opposition to this bill, or any reason why it should not be passed, they would have requested to be present or would have accepted our invitation to appear here. Therefore, I must assume that they had no objection to the bill on that basis. I have a notice to the effect that they would not. I have a note from our clerk, who phoned yesterday. This came to me due to the fact that the chairman and vice-chairman were not here, so it was directed to me. I was asked whom perhaps we would like to have, and I said that certainly the Department of Finance should be notified and asked if they wished to appear. And the note I got says:

As per your wishes expressed this morning to Mrs. Jean Sutherland, regarding the appearance of Officials of the Department of Finance at Thursday's hearing, Mr. W. B. Hendry, Deputy Chief, Guaranteed Loans Administration, was contacted and said he could not attend as an important series of meetings was getting underway that day but he would speak to his Chief and call me back. When he did so he said that neither his Chief nor himself would attend, unless insistence on your part was brought forth. I said I would pass on this information to you which I did by phone at once.

I was not prepared to insist that they appear. I presumed that if they had any objection to it they would have appeared.

Senator McNamara: In regard to the \$40,000 in this bill, if we accepted the recommendation of the federation, would it affect the provision of finance?

Senator Hays: May I ask a question? Would you tell me about the \$20,000 or \$30,000? Is it for land?

Senator Sparrow: Under this bill?

Senator Hays: Yes.

Senator Sparrow: \$30,000 for land.

Senator Hays: This is for a parcel of land that, in addition to anything that would be a loan under the FCC? Is this land given as security for the loan—this land—and the interest rate is tied to 7½ per cent?

Senator Sparrow: 7 per cent.

Senator Hays: There is no change.

Senator Sparrow: Not until September 1, this year, when it will be reviewed.

Senator Hays: So it could escalate or it could drop, according to the prime rate, or what the government has to pay?

Senator Sparrow: Yes.

Senator Hays: What is the amortization on the land?

Senator Sparrow: Fifteen years.

Senator Hays: And that has nothing to do with the FCC. And the other loan is \$20,000 for chattels, is it?

Senator Sparrow: No, it is \$30,000.

Senator Hays: That is \$60,000, then.

Senator Sparrow: No, the overall amount can only be \$40,000, but you can loan \$30,000 for either purpose. If you loan \$30,000 for land, it leaves only \$10,000 for cattle or for machinery.

Senator Hays: Is that outside the machinery syndicates bill?

Senator Sparrow: Do you want to know what the items are that the money can be loaned for?

Senator Hays: No, I know those items. I was wondering if there was any conflict.

Senator McNamara: Is there a bill similar to this being introduced in the other place, Senator Sparrow, or, as far as you know, is this increase being considered over there?

Senator Sparrow: No, if this bill is passed by the Senate it will be referred to the other place.

Senator Hays: It goes to the House of Commons, and then it has to go to committee there.

Senator Sparrow: Yes.

Senator Hays: I think we should accept the amendment.

Senator McNamara: I have some reservations, because, although I have no objection to its being increased, I would rather see the \$40,000 go right through and be available right away than have the \$50,000 being hung up in the other place for perhaps a year.

Senator Hays: The way in which we talk in terms of billions of dollars, another \$10,000 shouldn't matter at all.

Senator Lawson: What was the amortization period, Senator Sparrow, on the chattels?

Senator Sparrow: Ten years.

Senator Lawson: Fifteen years on the land and ten years on the chattels.

Senator Sparrow: I believe that is correct.

Mr. Kirk: Mr. Chairman, this resolution was basically a resolution for an increase in these loan limits. They mentioned \$30,000 for other than land, \$20,000 for land, and set a maximum of \$50,000. They were thinking in terms of adding the two together, which, as we pointed out in our brief, you do not have to do. We certainly do approve of the \$30,000 figure in both cases, you know. When we say \$20,000 from our motion, that was a modest proposal, if you like, and it does not mean that we are against the \$30,000 in the bill.

I do not know if there is any danger that putting the overall limit to \$50,000 would jeopardize rapid passage of the bill. Our basic position is we are in favour of the bill. We would not want to make a fuss about that.

Senator Hays: Did anyone move an amendment to go to the \$50,000 figure?

Senator Sparrow: No, Senator Petten simply moved that we report the bill without amendment.

The Deputy Chairman: It has been moved and seconded that we report this bill without amendment. Is it agreed, honourable senators?

Hon. Senators: Agreed.

Senator Petten: I wish to thank our witnesses this morning for their very worthy contribution. Thank you very much, gentlemen.

Mr. Munro: Thank you very much, Mr. Chairman and honourable senators, for giving us the opportunity of appearing here.

The committee adjourned.



FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA

PROCEEDINGS OF THE
STANDING SENATE COMMITTEE ON

AGRICULTURE

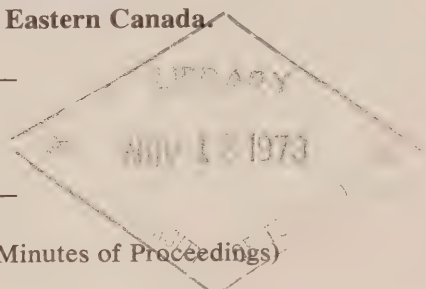
The Honourable HAZEN ARGUE, *Chairman*

Issue No. 5

WEDNESDAY, JUNE 13, 1973

Second Proceedings on the study of certain aspects
of agricultural problems in Eastern Canada.

(Witnesses and Appendices—See Minutes of Proceedings)



Corrigendum

In the Proceedings of the Standing Senate Committee on Agriculture, Issue No. 4, the Order of Reference on page 4:3 should be substituted for the following:

Extract from the Minutes of the Proceedings of the Senate, Tuesday, May 22, 1973:

"Pursuant to the Order of the Day, the Senate resumed the debate on the motion of the Honourable Senator Sparrow, seconded by the Honourable Senator Buckwold, for the second reading of the Bill S-5, intituled: "An Act to amend the Farm Improvement Loans Act".

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative.

The Bill was then read the second time.

The Honourable Senator Sparrow moved, seconded by the Honourable Senator Buckwold, that the Bill be referred to the Standing Senate Committee on Agriculture.

The question being put on the motion, it was—
Resolved in the affirmative."

Robert Fortier,
Clerk of the Senate.

THE STANDING SENATE COMMITTEE
ON AGRICULTURE

The Hon. Hazen Argue, *Chairman*.

The Hon. Hervé J. Michaud, *Deputy Chairman*

and

The Honourable Senators:

Bélisle	*Martin
Benidickson	McElman
Côté	McGrand
*Flynn	Molgat
Fournier (<i>Restigouche</i>	Norrie
<i>Gloucester</i>)	Petten
Haig	Phillips
Hays	Sparrow
Inman	Welch
Lafond	Williams
Lawson	

**Ex officio members*

20 MEMBERS

(QUORUM 5)

Order of Reference

Extract from the Minutes of the Proceedings of the Senate, Wednesday, March 28th, 1973:

The Honourable Senator Argue moved, seconded by the Honourable Senator Lafond:

“That the Standing Senate Committee on Agriculture which was empowered by the Senate on 22nd February 1973, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada: provided that no special expenses shall be incurred by the Committee without specific authorization by the Senate and full compliance with Rule 83A, and that all Senators shall be notified of any scheduled meeting of the Committee and the purpose thereof and that it report the result of any such examination to the Senate, have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purposes of any such examination; and

That the Committee, or any sub-committee so authorized by the Committee, may adjourn from place to place in Canada for the purposes of any such examination.

The question being put on the motion, it was—

Resolved in the affirmative.

Robert Fortier,
Clerk of the Senate.

Minutes of Proceedings

Wednesday, June 13, 1973.

Morning Sitting.

(8)

Pursuant to adjournment and notice, the Standing Senate Committee on Agriculture met this day at the Nursing Building, University of Moncton, Moncton, N.B., at 10 a.m. The Chairman, the Honourable Senator Argue, presided.

Present: The Honourable Senators Argue, Benidickson, Fournier (*Restigouche-Gloucester*), Inman, Lafond, McElman, McGrand, Michaud, Norrie, Petten and Williams. (11)

The following witnesses were heard:

On behalf of Agriculture Canada:

Dr. G. M. Weaver, Director, Research Station, Fredericton, N.B.;

Mr. Frank Calder, Acting Superintendent, Experimental Farm, Nappan, N.S.;

Dr. Angus MacLean, Program Manager, Environmental Quality, Fredericton Research Station, Fredericton, N.B.;

Mr. Arthur LeLacheur, District Supervisor, Plant Products Division, Research Station, Moncton, N.B.;

Mr. Bradley Ripley, Acting Chief, Livestock Division, Research Station, Moncton, N.B.;

Mr. W. Breckman, District Supervisor, Dairy Division, Research Station, Moncton, N.B.;

Mr. V. Lotherington, District Supervisor, Poultry Division, Research Station, Moncton, N.B.;

Dr. J. T. Annis, District Veterinarian, Health of Animals Branch, Research Station, Moncton, N.B.

On behalf of the New Brunswick Department of Agriculture and Rural Development:

Mr. Reginald Gilbert, Deputy Minister;

Mr. Peter Schousboe, Director of Extension;

Mr. Verne Bastin, Secretary, New Brunswick Forest Products Commission.

The Committee resumed its study of certain aspects of agricultural problems in Eastern Canada.

The Chairman made an introductory statement and presented the members of the Committee.

On motion of the Honourable Senator Lafond it was *Resolved:*

that the printed Minutes of Proceedings and Evidence of the Committee held in Moncton, N.B. on June 13 and 14, 1973, be increased from 800 to 1,000 copies in English and from 300 to 400 copies in French.

During the question period that followed, at the invitation of the Deputy Chairman, Mr. J. P. Robichaud spoke from the floor.

In accordance with a resolution passed at a meeting held on Wednesday, May 23, 1973, the statistical tables appended to Dr. Weaver's brief and the statistical tables in Mr. Gilbert's brief are printed as appendices to this day's Minutes of Proceedings (*See Appendices A and B respectively*).

Dr. Weaver also tabled in support of his brief five (5) publications entitled:

"Feeding Guide for the Atlantic Provinces";

"1973 Field Crop Recommendations for the Atlantic Provinces";

"1973 Potato Production Recommendations for the Atlantic Provinces";

"Beef Production in the Atlantic Provinces";

"Description of sandy soils in cleared areas of coastal Kent and southern Northumberland Counties, N.B."

and two (2) maps entitled: "Canada Land Inventory—Capability for Agriculture".

These publications have been retained by the Committee as Exhibits.

At 12:34 p.m. the Committee adjourned until later this day.

Afternoon Sitting
(9)

The Committee resumed at 2:30 p.m. The Chairman, the Honourable Senator Argue, presided.

Present: The Honourable Senators Argue, Benidickson, Fournier (*Restigouche-Gloucester*), Inman, Lafond, McElman, McGrand, Michaud, Norrie, Petten and Williams. (11)

The following witnesses were heard:

On behalf of the New Brunswick Department of Agriculture and Rural Development:

Mr. Reginald Gilbert, Deputy Minister;

Mr. Peter Schousboe, Director of Extension;

Mr. Vern Bastin, Secretary, New Brunswick Forest Products Commission.

*On behalf of the Development Policy Secretariat,
Office of the Premier, Fredericton, N.B.:*

Mr. Louis-Ph. Albert, Resource Planning Co-ordinator

AND

*The Planning and Development Branch, Department
of Agriculture and Rural Development, Fredericton,
N.B.:*

Mr. Elliott R. Keizer, Resource Economist; (*Joint
presentation with Mr. Albert*).

Messrs. Charles Gallagher and Alan Graham, M.L.A.'s
for Carleton Land Kent Counties respectively.

During the question period that followed, at the invitation of the Chairman the following persons asked or answered questions from the floor: Madeleine Leblanc, Mr. Arthur LeLacheur, Dr. G. M. Weaver and Dr. Angus MacLean.

In accordance with a resolution passed at a meeting held on Wednesday, May 23, 1973, the graphic, map and statistical table printed in Messrs. Albert's and Keizer's brief are printed as appendices to this day's Minutes of Proceedings. (*See Appendices, C, D and E respectively*)

Mr. Graham tabled in support of his oral presentation a document entitled: "L.I.C.A. Project. Project Scheme of the Christmas Tree Producers' Association of the region of Kent, N.B.: St. Louis, St. Ignace, St. Charles, Acadieville. Project submitted under the ARDA Agreement between the Government of Canada and the New Brunswick Government." This document was retained by the Committee as an Exhibit.

At 5:55 p.m., the Committee adjourned until later this day.

Evening Sitting
(10)

The Committee resumed at 8:00 p.m. The Chairman, the Honourable Senator Argue, presided.

Present: The Honourable Senators Argue, Benidickson, Fournier (*Restigouche-Gloucester*), Inman, Lafond, McElman, McGrand, Michaud, Norrie, Petten and Williams.
(11)

The following witnesses were heard:

Mr. Zoél Arsenault, Secretary, FAFAM (*La Fédération des Agriculteurs Francophones de l'Archidiocèse de Moncton*);

Mr. Jean Finnigan, President, *Woodlot Association*;

Mr. Philippe Bourgeois, agronome;

Mrs. Flora Sullivan, Secretary, *Rexton Sub-Federation of Agriculture*;

Mr. Yvon Babineau, President, *Association of Producers of Christmas Trees for Kent County North*.

During the question period that followed, at the invitation of the Chairman, the following persons spoke or asked questions from the floor: Messrs. Philippe Bourgeois, Yvon Babineau, Charles Bourgeois, Alex Murray, Jean Finnigan and Rhéal Drisdelle.

Mr. Babineau also submitted in support of his presentation a document entitled: "L.I.C.A. Project. Project Scheme of the Christmas Tree Producer's Association of the region of Kent, N.B.: St. Louis, St. Ignace, St. Charles, Acadieville. Project submitted under the ARDA Agreement between the Government of Canada and the New Brunswick Government." This document was tabled earlier in the afternoon by Mr. A. Graham, M.L.A. for Kent County, and had already been retained by the Committee as an Exhibit.

At 10:10 p.m. the Committee adjourned until Thursday, June 14, 1973, at 10 a.m.

ATTEST

Mrs. Aline Pritchard,
Patrick J. Savoie,
Joint Clerks of the Committee.

The Standing Senate Committee on Agriculture

Evidence

Moncton, Wednesday, June 13, 1973

The Standing Senate Committee on Agriculture met this day at 10 a.m. to study certain aspects of agricultural problems in Eastern Canada.

Senator Hazen Argue (*Chairman*) in the Chair.

The Chairman: Friends, I am delighted, on behalf of the Standing Senate Committee on Agriculture, to say how pleased we are to be in Moncton, New Brunswick, to be in this fine theatre, to have had the opportunity yesterday of taking a tour of some of the rural areas—Kent County, Westmorland County and this area—and to view at first hand your beautiful and charming country and to meet with some of the local people. The hospitality that we have been extended is really wonderful.

Now, I think first of all I should introduce my colleagues from the Senate, so that you will know to whom you are speaking, and who is speaking to you.

First I would like to call on Senator Lafond to stand. Senator Lafond is from Quebec; then Senator Benidickson, Ontario; Senator Petten, Newfoundland; Senator McGrand, New Brunswick; Senator Inman, Prince Edward Island; Senator McElman, New Brunswick; Senator Williams, British Columbia; Senator Fournier, New Brunswick; Senator Norrie, Nova Scotia; and our Deputy Chairman, Senator Hervé Michaud, who I am sure is well known to all of you.

Our committee clerks are Mrs. Pritchard and Mr. Savoie. So, we are indeed pleased to be here, and I am sure we are going to have a useful time.

The Standing Senate Committee on Agriculture has been in existence for about one year and during that time we have heard representations from the Department of Agriculture, we have had a bill presented to us, and we have undertaken a study that we are beginning this morning in Moncton. I might say that we have already had a session in Ottawa on this particular subject, when we were pleased to have as our witnesses Hon. Eugene F. Whelan, the Minister of Agriculture, and Mr. S. B. Williams, the Deputy Minister. With their blessing and good wishes, I think we are off to an auspicious start.

I believe the Senate is in a particularly good position to study a problem such as this. Senate Committees over the years have done excellent work, acknowledged I would think by the public generally, in the fields of mass media, science policy, poverty, land use and so on. The reports of Senate committees, special committees, Senate inquiries, I think have been well considered by the public, have been considered very important documents by governments over the years and have been acted upon from time to time in important ways. An advantage that a Senate Committee has is that we do not at any given time feel obliged to enter into partisan political controversy. We have our

political opinions, but our job here is to conduct the inquiry that we have undertaken.

Members of the Senate, obviously, are close to the government. We are part of the Constitution of Canada; we are part of the Legislative process; we are part of the political system in Canada; and I can tell you, after having had eighteen years, experience in the House of Commons and some seven years' experience now in the Senate, that the senators have an important role to play, have a great deal of influence, and if the senators will go to work as this group is doing, I think we are in a position to make a very valuable contribution to the public life of Canada.

Now, our Orders of the Day are public, but perhaps I might just read them:

That the Senate Standing Committee on Agriculture consider the matter of marginal, submarginal, and abandoned farm lands in Eastern Canada, noting in particular the situation in Kent County, New Brunswick, and to consider what recommendations might be useful in the interests of securing and maintaining:

1. Viable rural communities;
2. A prosperous agricultural population;
3. A progressive and expanding industry;
4. Such supplies of agricultural products as will contribute to reasonable and stable prices—an advantage to both producers and consumers;
5. Farm units of a kind and size, consistent with the above objectives, so as to maintain a large rural population.

In addition to those names that I have already mentioned, we have with us Mr. Albert Chambers, who is acting as assistant to the Committee and has provided us with a good deal of background and research material.

The man who has been responsible for pushing this particular project, who has done a large part of the work in having it set up, is our colleague Senator Michaud, the Deputy Chairman of this committee, and I would ask Senator Michaud to say a few words at this time.

Senator Michaud: Mr. Chairman, ladies and gentlemen, I am very happy to be with you all here this morning and, in conjunction with Senator Argue, what everyone to feel welcome in our part of the country. Also, like Senator Argue, I am very hopeful that these sessions can be productive and fruitful. I now hand the meeting over to Senator Argue again.

The Chairman: As our first witness this morning we have Dr. G. M. Weaver, Director of the research station at Fredericton. He may wish to introduce his colleagues who are with him. I understand that there will be a number of separate contributions but, in any event, I will call on Dr. Weaver to make his presentation at this time.

Senator Lafond: If I may raise a point of routine business with the witness, I believe it is the usual practice in committees of this sort to authorize an increased run of the printing of our minutes for such sessions as those we are having today and tomorrow. I believe the clerks would be happy if we increased our printing in English by 200 and in French by 100; and I so move.

The Chairman: You have heard the motion.

Senator McElman: Seconded.

The Chairman: Moved and seconded. All in favour? Carried.

Dr. G. M. Weaver, Director of Research Station, Agriculture Canada, Fredericton, New Brunswick: Honourable Senators, might I begin by expressing my pleasure in having the Standing Senate Committee on Agriculture present in the province of New Brunswick at this time. I am sure, Mr. Chairman, that you and your colleagues are aware of the extent to which Agriculture Canada is committed to research in efforts to enhance the production efficiency of agriculture. We are proud to say that agricultural experimentation in this province has exceeded these guidelines until today we are part of a great experiment relating to the efficient function of governmental support services. As of early May this year, facilities and personnel of both federal and provincial departments of agriculture located in the capital city area have been housed in one modified building complex. As a result the opportunity for more effective communication and for greater participation in joint programming in the interests of the N.B. farm community becomes multiplied a thousand-fold. I am delighted that this committee has included in its agenda, a visit to the federal and provincial units at the Fredericton Research Station and look forward to hosting you on Friday.

The matter which is of concern to you, namely problems associated with marginal situations in Eastern Canada as exemplified by Kent County, were drawn to my attention by Senator Michaud quite early following my transfer to New Brunswick in late 1971. Although I have had several opportunities to visit the area in question over the last 18 months, I do not consider myself an authority on its agriculture. I do however, have certain information at my disposal which contributes to a series of opinions. It is these opinions which I wish to offer for your consideration as an amplification of those remarks tendered to this committee on May 22, 1973 by the Minister of Agriculture, Honourable Eugene F. Whelan and his Deputy Minister, Mr. S. B. Williams.

Characteristics of Kent County Agriculture:

The dynamics of crops and livestock production in Kent showed marked declines in the number of census farms over the past quarter century (from 1,993 farms in 1956 to 401 farms in 1971) and similarly, decreases in acreages from 237,104 acres in 1956 to 86,194 acres, the record of our last census (Table 1). The bulk of these acreage decreases occur in relation to crop and pasture production. In the area of livestock, dairy animals have declined in numbers at a rate greater than that for the province as a whole (Table 2). There has been a decline in beef animal populations in the order of 12% over the past five-year period at a time when the province has shown an overall increase. By way of contrast however, hog and poultry production in Kent County, as indexed by animal popula-

tions, have doubled over the past five years and so there are definite bright spots among the commodities.

I would anticipate that the factors which underlie these trends might be of some interest to this committee. In fact, resolution of some of these is critical to achieving the goal of a prosperous and viable agriculture in Kent County.

I know that in your deliberations in Ottawa with Mr. Whelan and Mr. Williams there was discussion in relation to soils and soils capability. I was not sure, Mr. Chairman, whether at that time you had ever really seen a soils capability map for that County region and with your permission I would distribute copies of maps to the committee. They are rather cumbersome, but I think it gives quite a bit of the picture.

PRODUCTION ENVIRONMENT:

Soils:

The committee is aware that although there are no Class 1 and 2 soils in Kent County, 72% of the county soils are Class 3 and 4. Their distribution is illustrated in the soil capability map which I am distributing at the moment and highlighted with the yellow coloring. While these soils can't be compared to the black soils of the Ukraine, they should be considered quite suitable to a range of crops. The availability of Class 3 and 4 soils in Kent is in fact ten times the area presently committed to agriculture. A significant portion of this would not however, be cleared land. In particular, this region is favored by significant acreages of well-drained sandy loams which with adequate irrigation facility, are particularly responsive for producing a number of high value crops such as fruits, vegetables, potatoes and tobacco.

In this regard, as a matter of further information to the committee, I had distributed copies of a report by Langmaid et al. 1964, survey report which discusses the potentials of sandy soils in relation to the Kent County region.

In summary then, there is sufficient well adapted soil in Kent County to sustain an increase in agricultural production, a sufficient capability of well suited soil for agricultural production.

Climate:

The climate of the area is strongly influenced by the waters of the Northumberland Strait. This water is shallow and warms up rapidly in late May and June. It retains its heat in the fall, prolonging the frost-free period. The climatological data for Kent in comparison with Fredericton, the Annapolis Valley and Prince Edward Island regions (Table 3) indicate a slight disadvantage in heat units during the growing season.

These are illustrated in table 3. (*see Appendix A*) There are some comparative data on climate in relation to four areas selected within the Maritime Province region.

However, frost-free period is some 7-10 days on average longer than that of the Fredericton area and compares favorably with that of the Annapolis Valley. It is also important to note that the annual minimum temperature for the Kent region averages—15°F. as contrasted to—20°F. in Fredericton. As such, it is intermediate between the Annapolis Valley and the central New Brunswick region as regards to extreme low temperatures in mid-winter. I will refer to this differential again in discussing the adaptation of a number of perennial crops.

MARKET ENVIRONMENT:

Kent County sits at the doorstep of the greater city of Moncton with a growing population currently in excess of 100,000 persons. Consequently, there are market garden opportunities in the immediate area. But the market opportunities extend beyond this locale to the province as a whole. The 100 acre Kouchibouguac National Park is under development in Kent's back yard. This project will draw large numbers of campers and tourists to the region, each family with its own demands for fresh produce. Similarly, highway Route 11 is an established, popular tourist route and I see distinct opportunities for well-organized approaches to roadside marketing of fresh produce.

The family farm, while an efficient unit for production, is generally not an adequate unit for efficient marketing. However, there is good evidence in this province that producers can organize successfully to obtain satisfactory returns for their produce and I cite recent successes in eggs and apples as examples.

CROP POTENTIALS:

The menu for Kent could be a diverse one, and I will not attempt to camouflage my enthusiasm for the potentials that exist there. We are sorely deficient in locally-produced feedstuffs required to sustain our livestock industry. There are good prospects in the region for high energy feed grains such as barley and wheat. In fact my crops specialist, at Fredericton, Mr. E. A. Grant, informs me that Kent County traditionally has produced the best quality barley in this province. There are new feed grain opportunities emerging today in the form of such protein crops as faba beans and field peas. Considering soil type, topography and climate, I would consider again that Kent is in an advantageous position. Livestock industries other than hogs and poultry have traditionally demanded a significant land base in order to sustain production. The opportunities for development of a well integrated crops-livestock industry could be realized in Kent County.

High value crops offer attractive options. Acreage requirements are not as extensive as for the production of feed crops. Rather, the emphasis is one of greater intensity of inputs on a smaller acreage with the requisite of well-drained sandy loams which are highly responsive to fertilizers and which can be adequately supplied with water through supplemental irrigation. The relatively soft winter favors production of perennial small and tree fruits.

Briefly, there is ample justification for doubling the acreage of apples produced in this province and the N. B. Fruit Growers Association is currently mapping an aggressive development program aimed at achieving this goal in 1983. Strawberry and blueberry production fall far short of the market requirements and again, the growing environment and the potential labor resource in Kent have an obvious appeal.

Provincial specialists have completed developmental studies on greenhouse vegetable production and are actively promoting enlargement of capability and production facilities. The well-drained sandy loams of Kent are attractive base structures and the relatively soft climate along the Northumberland Strait suggests that the cost of heating should be significantly lower than, for example, in the middle Saint John River area.

Clearly, without elaborating at length, there are distinct potentials. The extent to which other factors limit the realization of these potentials will, I am sure, be brought forward during these proceedings.

ROLE OF THE FREDERICTON RESEARCH STATION:

Perhaps I might conclude, Mr. Chairman, by stating something of the role of the Fredericton Research Station relative to that of other Atlantic-based establishments as well as to indicate the nature of the support to a grower community such as Kent County.

Our general mandate is that of generating superior technology which will ensure the long-term viability and competitive advantage of Canadian agricultural producers. This may take the form of improved varieties, superior systems for crop and pest management, the design and development of improved machinery and handling systems, reduced cost programs for livestock feeding and so on. Responsibilities for various commodities are assigned to designated establishments for the Atlantic region as a whole. Thus the Kentville Station supports the research requirements for the horticultural crops and poultry; Charlottetown for cereal and forage crops; Fredericton for potatoes and animal nutrition. In addition, these establishments have additional research capabilities in selected disciplines: Kentville for food storage, processing and utilization research; Charlottetown for agricultural economics and Fredericton for agricultural engineering. Both Charlottetown and Fredericton draw also on the resources of the Nappan Experimental Farm, which Mr. Calder represents this morning and which conducts research on pasture and livestock management.

We rely very heavily on the respective provincial departments of agriculture to communicate the results of research to the producers and to conduct the necessary demonstrational and developmental studies which are often required to ensure a full acceptance and application of the new technology in a local area. In this regard, we collaborate extensively with the provinces in these developmental studies.

Our specialists are extensively involved in the publication of commodity production guides and contribute regularly to the technical content of newsletters.

I brought only a small sample, but I am sure these are quite familiar to your people. These are the sort of production guides, Mr. Chairman, that are generated by the specialists within the Atlantic Provinces. We have taken an Atlantic Provinces' approach to these rather than a parochial, provincial approach, for obvious reasons.

As problems arise that demand the specialist skills, these are handled either by farm visits and by direct consultation with producers through telephone communication or personal calls at the station.

Agriculture Canada, as you know, manages a number of other programs in support of agricultural producers in the region. I am not in a position to speak for the programs of these other divisions. However, I believe that there are persons in positions of authority here this morning to represent Health of Animals and Production and Marketing branches. (See Appendix "A", tables I, II and III)

I now introduce to you, Mr. Chairman, Mr. Frank Calder, who is Acting Superintendent today for Nappan Experimental Farm. He also speaks for the Research

Branch, and you might like amplification from him before we go on to other things.

The Chairman: Very well.

Mr. Frank Calder, Acting Superintendent, Nappan Experimental Farm: Mr. Chairman, honourable senators, ladies and gentlemen, I am sorry to say that I am in the position of having to substitute for Mr. Tom MacIntyre, who is our superintendent and who took ill on Sunday and is confined to the hospital, so that I am sort of pinch-hitting and hoping I can fill in a few words and explain a little of our relationship.

I also must apologize again, Mr. Chairman, for having only one typed copy of my remarks. I did attempt last night at 10:30 to run it through our copy machine and it decided to give up the ghost. I am sorry, but all I have is a short memo here.

A viable agricultural industry in any area depends on two factors, one, the human resource and two, the environmental resource.

If the motivation and knowledge is sufficient then farming may be carried out under a great range of conditions.

In the Research Branch we are constantly striving to enlarge and develop knowledge that may be useful to those who wish to farm.

The Experimental Farm at Nappan, Nova Scotia, is about 60 miles from the southern part of Kent County and is chiefly concerned with forage evaluation for the cattle and sheep industry. This involves a herd of beef cattle used in cross breeding experiments, steers kept mainly for evaluation of grazing systems, various methods of making silage and the evaluation of many forage crops, legumes, grasses, corn, cereal grains, protein crops and others.

The blueberry industry also receives considerable attention as it is a big industry in the Atlantic provinces.

I might say also, Mr. Chairman, that Nappan is not a community that is recognized geographically very well, so I might explain it is only a few miles south of the New Brunswick border and near Amherst, as a town location. So, as I say it is 60 miles south of Kent County. That may not be too descriptive, but maybe if I express the idea that we are quite close to this area geographically, it might help to establish our interest in the work and the problem area that we are specifically referring to.

The staff at Nappan are actively co-operating with the three Research Stations in the Maritime Provinces, as Dr. Weaver has just mentioned, and also with the National Research Council's Atlantic Laboratory, and Mount Allison University at Sackville, N.B., as well as the Health of Animals Atlantic Laboratory at Sackville and heavily involved with co-operative work in the area of Atlantic Provinces Agricultural Committees such as the A.P. Field Crop Committee and the A.P. Livestock Committee. These committees are very important in bringing all workers, both provincial and federal, together in each discipline to examine problems, work towards solving the problems, and making results available through various publications, such as those Dr. Weaver just referred to, the Atlantic Field Crop Recommendations, publication 100 of the Atlantic Provinces Agricultural Co-ordinating Committee.

We realize that much more is necessary to maintain or create a viable agricultural industry, but I wanted to

explain our particular corner of interest in what we are trying to do. It might be mentioned, as an example of what does take place at times, that a few weeks ago a bus load of farmers from the Tracadie area of New Brunswick, just north of Kent County visited our establishment and we would welcome many more such visits.

Mr. Chairman, that is really all I would like to say at this time by way of introduction. If there is anything else we can contribute by way of answers to questions as to our responsibility or interest, we will do so. Thank you.

The Chairman: Members of the Committee, I am in your hands, but Dr. Weaver has suggested it might be advisable if he called on each one of the officials who wish to make a contribution here this morning. Then we will have it in one package, our questions can start in a general way and we can question any of the witnesses.

We are to hear provincial people at 11:30 so we do not have very much time. I think I will ask Dr. Weaver just to manage the balance of this part of the program, and then we will start our questioning as soon as the officials have completed their testimony.

Dr. Weaver: Thank you, Mr. Chairman. There are, then, as you know, representatives here from other branches and divisions of the Canada Department of Agriculture. They may well have contributions to make with regard to the Kent County environment and its situation, problems and so on. Certainly they would be of interest from your point of view, I am sure, in the specific responsibility which is theirs. I would introduce them to you and invite them to make these remarks on your behalf.

Dr. Angus MacLean is Program Manager at the Research Station and is largely responsible for environmental quality research. Dr. MacLean, would you have further comments you would wish to make?

Dr. Angus MacLean, Program Manager, Fredericton Research Station: No, I do not think so at this time, but I can participate in the discussion later on, if necessary.

Dr. Weaver: Mr. Arthur LeLacheur, who is the District Supervisor of the Plant Products Division.

Mr. LeLacheur, District Supervisor, Plant Products Division: The function of the Plant Products Division throughout Canada is to inspect various agricultural inputs such as livestock feed, fertilizer, seeds and pesticides.

In Kent County there is no manufacturing plant manufacturing livestock feed, there is no fertilizer plant manufacturing fertilizer. They receive these commodities from outside the immediate area. Most of their fertilizer comes from Saint John, New Brunswick and their feed is primarily manufactured in Moncton, New Brunswick. I did look at Statistics Canada, I believe they are now called, fertilizer sales, which are recorded there by counties across Canada, and I noted a very significant thing which I cannot explain, possibly somebody else can. In 1948 the sales of fertilizer for New Brunswick and given by counties, compares the years '48 to '71 and the percentage of Kent County has gone up on a provincial basis. This does not seem to fit in with the situation as we hear it or see it and, as I say, I cannot explain it. Possibly Senator Michaud is using more fertilizer on his potatoes than all the rest of them put together in 1941, I don't know.

I would be quite pleased to contribute anything I can by way of answering questions at any time you wish to ask me.

Dr. Weaver: Could I call now on Mr. Bradley Ripley of the Livestock Division, who is acting on behalf of Mr. Vince Stewart?

Mr. Bradley Ripley, Acting Chief, Livestock Division: Mr. Chairman and honourable senators, ladies and gentlemen, I really don't have too much to say. The livestock division of the Production and Marketing Branch really administers improvement policies to increase the efficient production of livestock in the Atlantic district. So our main function is administering these programs and policies of the Department of Canada Agriculture. If there are any questions, I will be happy to try and answer them.

Dr. Weaver: Gentlemen, I have not met as yet Mr. W. Breckman, District Supervisor of the Dairy Division. Mr. Breckman is here this morning.

Mr. W. Breckman, District Supervisor, Dairy Division: As you know, Dr. Weaver and members of the committee, I have just been appointed here so I am not totally familiar with the area, but I have Mr. Schneider here and we have a few statistics that we have put together and we are representing the Dairy Commission in the area.

Senator Benidickson: The federal?

Mr. Breckman: Yes. I am sure the commission will want more information on dairy commissions as a whole. We have put together information on only the Dairy Commission for the Atlantic Provinces, which I can leave with you if I wish. Unfortunately I have only got one copy but I could turn that in to you if it is desirable.

I have the 1972-73 dairy figures for the Maritime provinces and these figures show 119 producers with a full quota for the County of 181,504 pounds of butterfat. Pounds of butterfat shipped were 178,639 pounds, which is 98.2 per cent of the quota.

The average size of these quotas amounted to 1525 pounds. Quota sizes range from 420 pounds minimum to 8870 pounds, which was the largest quota in the area. In 1972-73, 20 shippers lost food due to insufficient shipments for a loss of 43,343 pounds of butterfat to the area. Average quota was 717 pounds of the ones that were lost.

A comparison of Kent County to the province as a whole, the County contains 119 producers out of a provincial total of 1146 for 10.4 per cent. The average size of quota for Kent County was 1525 pounds, as I mentioned before, and the average size of quota for the province as a whole was 2237 pounds. The provincial quota for 1972-73 was 2,564,356 pounds and Kent County was 181,504 or 7.1 per cent. So it was 7.1 per cent of the quota and they have 10.4 per cent of the producers with an average cow producing 350 pounds of butterfat per year. The average herd size for the County is approximately three cows, so, as you see, it is not a major producing area and there are no creameries in the area to manufacture butter, so they are shipped out to other counties for manufacturing.

As I say, I am not too familiar with the area, so if we have further questions later on, I will call on Mr. Schneider to assist me.

Dr. Weaver: Thank you, Mr. Breckman.

Mr. V. Lotherington, District Supervisor, Poultry Division.

Mr. V. Lotherington, District Supervisor, Poultry Division: Dr. Weaver, Mr. Chairman, honourable senators, I am very happy to be here to contribute what we can from the Poultry Division of the Production and Marketing Branch today.

My association with Kent County goes back probably a bit more than some of the members here because I worked there as a field man back 25 or 26 years ago, and our concern with this particular region of the province as with other regions in New Brunswick, which were behind some of the more prosperous areas, was of concern then and it is of concern now. Unfortunately some of them, Madawaska County fortunately, has progressed very well as far as poultry is concerned. We made inroads in Kent County. I think our statistics will prove that and Kent County, I might add, is conducive to the poultry industry because it is bordering on the two major marketing centres, as far as we are concerned, the two processing plants in Moncton and Sussex.

There are many avenues whereby improvements could be made but unfortunately the poultry industry and the livestock industry in general, is caught in the present price squeeze that I think you are all familiar with. Meat prices, protein units have practically doubled in the last year and we are subject to these numerous influences that cause these feed prices to go up. You are fully familiar, I am sure, with the reasons why. Protein shortages can extend even back to Peru. The anchovies off the Peruvian coast, because of the Almeno current coming down from Ecuador, the anchovies stopped. Therefore, we have a worldwide shortage of fish meal.

Soybean meal is doubling in prices simply because the consumer herself, Mrs. Consumer, is using soybean meal as a foodstuff in improving the poultry industry in Kent County. There is room for further progress and we fully anticipate that within a few years there will be significant progress. Probably by the time the next census rolls around you will see a further increase in the poultry industry in Kent County.

Thank you.

Dr. Weaver: Thank you, Mr. Lotherington.

Dr. J. T. Annis, District Veterinarian, of the Health of Animals Branch.

Dr. J. T. Annis, District Veterinarian, Health of Animals Branch: Thank you Dr. Weaver. Mr. Chairman, honourable senators, ladies and gentlemen, I have prepared a short statement here which will provide information as to our operations as a regulatory body with particular reference to Kent County and, Mr. Chairman, I have here four extra copies which I will give to you now. I will just read this statement:

The Health of Animals Branch of the Canada Department of Agriculture consists of three divisions in the Atlantic Provinces, the Contagious Disease Division—and I might mention Dr. Duplessis, who is set up as my assistant for the Atlantic region—the Meat Inspection Division, and Dr. Hanabury is the Meat Inspection Division man, are administered by the office of the District Veterinarian, myself, from Moncton, New Brunswick.

The Pathology Division is located at Sackville, New Brunswick. I think that has been mentioned before. I don't think Dr. Gray is here.

It is under the Direction of Dr. D. P. Gray. I don't think he is here at the moment, but I understood he mentioned to me that he would be here and will probably be here later.

The objectives of the Contagious Diseases Division is to keep the country's livestock population free from contagious diseases and it operates under the authority of the Animal Contagious Diseases Act and Regulations. This division controls and regulates the importation of animals and animal products, controls and eradicates established diseases such as tuberculosis, Brucellosis and trichonosis. It eradicates exotic diseases which gain entry into the country and is responsible for the export certification of livestock.

The cattle population of Kent County is considered to be free of tuberculosis and Brucellosis. This same status applies to New Brunswick and to all of the Atlantic region. I have, however, some figures which may be of interest, which we have compiled in conducting the general tests of Kent County, that is with regard to the cattle farms.

In the first general TB test in 1936, according to our records there were 2986 herds, or 19,823 cattle. In the second general test in 1951 there were 1987 herds or 12,998 cattle. In the third general test in 1962 there were 1143 herds or 12,091, and in the fourth test, which was in 1971, there were 491 herds or 9385. It is noted in 1971 there has been—and I am saying this is round figures—an 80 per cent reduction of herds compared to that of 1936. In the cattle population, however, the reduction—and here again it is round figures—is approximately 50 per cent.

The health status of the livestock in Kent County meets the export requirements, the same as other areas of the Atlantic region. In recent years there has been little or no export of livestock to other countries from this County. A healthy export trade to other countries has been enjoyed by other parts of the province as well as other provinces in the Atlantic region.

Livestock has been exported to such countries—I am talking about the export that has taken place—as the United States, Cuba, Spain and Italy, and bull semen has been exported to several other countries.

Pertaining to the meat inspection division, it operates under the Canada Meat Inspection Act and Regulations. While there are no red meat or poultry slaughtering plants, that is registered plants, in Kent County—that is registered under the Canada Meat Inspection Act and Regulations—there are four red meat plants and two poultry plants in New Brunswick within trucking distance, two red meat plants and one poultry plant, which is located in Moncton less than 50 miles from the centre of the County, one red meat plant is in Fredericton and one at Bagotville and another poultry plant at Sussex.

In August, 1971 the division approved plans for the construction of a rabbit slaughtering and processing plant called the New Food Products Limited, Richibucto and I understand that Mr. J. P. Laplante, Manager, will be making a statement to this committee on this point at a later time.

While footing excavations were dug on a plot of land two and a half miles south last fall, construction was not

commenced. According to a newspaper article a \$125,000 grant by the Department of Regional Economic Expansion, has been withdrawn and no financial support was available from other sources.

Meat markets are available for cattle, sheep, hogs and poultry to producers in Kent County and would be available for rabbits with the construction of the plant near Rexton.

Federal meat inspection services are provided free of charge to meat-packing plant operators providing their facilities meet the requirements of the Meat Inspection Act and Regulations.

Thank, you, Mr. Chairman.

The Chairman: Senators, I think we can open the meeting now for questions. I don't think I will stand up formally but I was just wondering, Dr. Weaver, if I could open it by a general question?

You have given us some excellent information; you have talked about the opportunities for a well developed, integrated crops and livestock industry, the opportunity in Kent County to buy the best and grow the best kind of barley in the province. What is being done to take all of this information, all of the opportunities available, to the individual farmer concerned so that he can make a decision to increase livestock production, increase barley production, to do the things that would seem to be suggested that we should be doing?

Dr. Weaver: Mr. Chairman, this is a very topical subject to put to us just at this time. As I have indicated, the research development resources are rather spread through this Atlantic and Eastern Canada area relating to animal feed problems. We have only recently taken an integrated Eastern Canada approach to the problem of livestock feeding. We are at the moment collecting all of our data as it exists in Canada, feeding it into computers and simulating, designing in fact, high-performance systems for livestock feeding.

This is going to be, as you will appreciate, a computer simulation, a model system initially. It has to be tested and developed in commercial farm situations and we would expect in a very short period of time—and I think this is a matter of a year—to put this system to test in selective farm stations throughout the Atlantic-Canada area. Mr. Calder is actually a member of that Eastern Canada Committee, and may wish to amplify that.

Mr. Calder: I was just going to say that it is in its infancy and probably related to questions in very general terms, I think we are all in the federal service concerned as I have been in the past, in any case, with the division of responsibilities which everybody is aware of, but it does create a bit of a problem and this is what we have tried to overcome through the Atlantic provinces coordinating committees which have, in effect, published, and probably don't in those actual committees, go beyond the publication or joint publication, I should say, by the province, and all the provincial universities, to make this available in the form of publications on a yearly or interim basis.

I think, in direct relation to your question, beyond that point we rely on the provincial or extension services which, of course, you will be hearing from later on.

If I could just take one moment, I notice in the report that was circulated to us of your meeting in Ottawa on May 22, that Mr. Williams, our Deputy Minister—who,

incidentally, used to be at Nappan as superintendent, so we are quite happy to have him where he is and hope it is beneficial to all of us down here, at least he is familiar with the area—commenting in that illustration statement—and it just happened I was involved with that work when he was my superintendent here—on the effects of this and at that time, in those years, there was a program where we went to all the areas in each province and without demonstration farms—they were officially called illustration stations, we did work in this particular area in that discipline.

We have changed from that over the years on the basis that we think we can do more by cooperation with the provincial people and letting them, through their extension specialists, carry the work.

I think this sets the situation as to where we have been. This new system of looking into it that Dr. Weaver has mentioned, hopefully will give us all, provincial and federal people, a better tool with which to evaluate all the information that does exist.

The Chairman: Do you have any mailing list that you send your conclusions out with? Do you have a mailing list?

Mr. Calder: I think all our publication, we put out an annual summary which is aimed at the farmer.

The Chairman: And who is on your mailing list?

Mr. Calder: We do this in two ways . . .

The Chairman: All the farmers in New Brunswick?

Mr. Calder: No, I am talking specifically of Nappan at the moment. We send most of these to the ag.rep. who is a provincial employee in each area for him to distribute. If we have individuals that we know of who want information that we have contacted previously, then we send those, of course, as well, but basically we depend on the provincial services to distribute these, because they are more up-to-date. Our lists go out of date pretty fast.

Dr. Weaver: We publish the same published report from Fredericton and it goes out in the same way.

The Chairman: Senator Michaud, do you have any questions at this time?

Senator Michaud: I may have a few.

Senator McElman: I don't think we have found out actually what mailing list you, Agriculture Canada, have. What would be the numbers involved in any direct mailings that you have on a continuing basis to the active farmers of, not just Kent County, but let us say in New Brunswick, and then break it down into Kent?

Dr. Weaver: Senator McElman, speaking for the Fredericton station, we do not have an active mailing list. We do not publish a separate statement or report. We publish a station report as part of a branch report. This is semi-technical, aimed at the lay-level but it is not really intended for farm consumption. We rely very extensively on the province, the provincial department, through whose services its stock and livestock interests distributes mailing letters or distribute news letters and so on, to take information out of our shop, use their mailing list in order to disseminate it throughout the province.

Senator McElman: Then, in fact, you have no mailing list, as such?

Dr. Weaver: That is right.

Senator McElman: Thank you.

Senator Michaud: Mr. Chairman, I also want to say that I have appreciated the presentations which have been made by Dr. Weaver to us at the opening of these sittings. Our problem, according to our terms of reference, is that we are here to study the question of marginal, submarginal and abandoned farms. Since this is a question which, administratively, comes under provincial jurisdiction, maybe I will reserve my observation in that connection for a later date when we discuss this question with the provincial representatives. But maybe there is a general observation which we could make at this time concerning the overall situation as it affects the rural population of Kent County.

This situation can not be adequately expressed in figures. Statistics cannot reveal the true picture. They might help but the root of the problem is deeper than that, and I find it expressed—I will not use my own words to express that problem but I will use the expression which we find in the task force report which was presented in 1971 after three-years study, studying the social aspect of the problems as we faced them in New Brunswick.

In the task force report—which is known as the Leblanc and Nutter Report—here are the words which they used to sum up the situation at one place:

The chief thing is a feeling of lost hope.

Then at another place the Report says:

It is not that they (the people) feel that we, the administrators, and the functionaries, officials that do translate the policies into concrete form, it is not that they deliberately set out to keep us down. It is not that they really don't know our situation, but mostly it is that they don't seem to care. Generally there is a feeling that policies are so designed as to discourage not only the younger people, but that a significant portion of the adult population have to move to the towns and cities.

Then the task force report says:

The population feels that no matter how much time or effort they (the people) put into public meetings or research into their problems, the government has not really listened in the past, nor is likely to do so in the future.

They are pessimistic even as of today in the light of these sittings which are beginning this morning. They are asking questions: "What is this again? Is it just another exercise in futility?" The task force report that I have just quoted from tells us that that is the feeling of the people; they have lost hope; and that is why I say that our problem, as we face it today concerning the rural population of Kent County, and other parts as well, cannot be described in figures. We are not dealing with numbers; we are dealing with human factors, and we have to try to understand the depth of those human feelings as they exist. For the moment, perhaps, I will pass my questions and observations to someone else.

Senator Inman: Mr. Chairman, I would like to ask the witnesses: What programs have you, if any, to induce

farmers with small acreage to make the best use of their land? I am thinking of people with less than 100 acres.

I come from Prince Edward island. We had a very interesting tour yesterday of parts of Kent County and I saw land that was being let go, not being made use of. In my province farms of, say, 500 or 600 acres are few and far between, but we have small farmers, and what I want to know is, I am sure in Kent County some of the farms are small, but what programs have you to induce people to make use of this land?

Dr. Weaver: Senator Inman, as the federal Department of Agriculture, I would say that we do not have programs in effect in Kent or other counties within this province of the type that you describe. This, I feel, is an acknowledged responsibility of the provincial department. There is a definite draw on our capabilities and skill in order to supplement those programs to assist in designing what might be a good system for crop production for Kent County, but this would be beyond our terms of reference to establish these sorts of programs, so I feel.

Senator Inman: Thank you.

Senator McGrand: It has been stated that Kent County has no number one or number two quality of land. How much number one or number two land do we have in New Brunswick and in what counties would we find them?

Dr. Weaver: Senator, I believe that there is no number one, class one soil in the Province of New Brunswick. I believe that there is a reasonable acreage of class 2 soils in the potato-growing area, but I would call on my colleague, Dr. MacLean, who is the soil specialist, to amplify on that.

Senator McGrand: That question has been answered. I know now that we do have some number two.

Senator Benidickson: But number three, according to my notes, is still called good. Senator Michaud gave us some information. He said in his own county that number three could be graded as good.

Dr. Weaver: Yes, these are based on limitations of fertility, water, topography, crop and so on, the division of these classes. In fact, class 4 land is the land area which is used for tobacco production in that particular county so that is must be considered a highly productive soil, given the right husbandry.

Senator McGrand: Another question. Did you say fababeans?

Dr. Weaver: Yes.

Senator McGrand: What is the difference between a faba-bean and a soyabean?

Dr. Weaver: The fababean tends to be more nearly alike to the vegetable bean; It is not a high-oil seed crop.

Senator McGrand: Is the soil in New Brunswick suitable for the cultivation of fababeans?

Dr. Weaver: I would say yes. There would be particular prospects in this Kent County region because the bean tends to prefer, if I could use that terminology, well-drained, sandy loam soil.

Senator McGrand: That is for feed, for grain feed?

Dr. Weaver: Both grain and silage.

Senator McGrand: One more question. You mentioned that Kent County was suitable for poultry production. Now, what percentage of the feed for poultry is produced in New Brunswick and what percentage is imported?

Dr. Weaver: I cannot give you the answer to that at the moment.

Mr. LeLacheur, could you answer that question?

Mr. LeLacheur: I can partially answer it. For New Brunswick it is estimated that they produce approximately 30 percent of the livestock feed that they consume. Kent County would be considerably less than that—probably 10 per cent.

Mr. Lotherington: Certainly less than the average.

Senator McGrand: So the future of producing poultry in Kent County, or in the area, depends upon the importation of 80 or 90 per cent of the feed?

Mr. Lotherington: That is right.

Senator McGrand: Is it not possible to produce a suitable poultry feed in New Brunswick?

Dr. Weaver: it is generally true that both poultry and the hog industries have relied to a considerable extent on external sources of feed. It is possible in certain regions to produce economically crops for livestock feeding. It depends, however, very much on prices for western feed, because this is our competition.

Senator McGrand: I won't take up your time. I have one more question. I understood some years ago that the experimental farm at Fredericton had decided that corn production, New Brunswick was not suitable for corn production. Is that so?

Dr. Weaver: New Brunswick is very much involved, senator, in silage corn production in support of the dairy industry. We still have difficulties in connection with grain corn production because of the heat units and the particular growing season. Commercial breeders, institutional breeders continue to shorten the majority season requirements for grain corn. There are now some 7000 or 8000 acres of grain corn being grown in Nova Scotia. We would expect before very many years that we will see grain corn moving through the valley systems of New Brunswick.

Senator McGrand: And that would be in the areas where you have the most heat?

Dr. Weaver: Yes, it would, sir.

The Chairman: Senator Norrie?

Senator Norrie: I would like to know how many farmers have applied for farm-improvement loans and have been able to procure them, and how many farmers have applied for them and have not been able to procure them?

Dr. Weaver: Mr. Chairman, I think this is a question that should be held to the provincial department. We do not handle farm loans, *per se*.

The Chairman: Well, farm-improvement loans through the banks is federal legislation, not provincial legislation. You may not have the information but it is definitely within the federal jurisdiction and not within the provincial jurisdiction. I mean farm-improvement loans as such

under the Farm Improvement Loans Act and Farm Credit Corporation, of course.

Dr. Weaver: I wonder if Mr. West would be able to give us that information? I could not answer that question.

Senator Norrie: Will it be answered later on in the day?

Senator Michaud: The Farm Credit Corporation is going to appear tomorrow.

The Chairman: Oh, that is the Farm Credit corporation, is it?

Senator Michaud: Yes. Mr. West will be here tomorrow morning.

Mr. Calder: We do not have any direct connection with it, to speak of.

Senator Williams: Going back to the fababeans, what would be the yield per acre and what are the potential returns to the farmer?

Mr. Calder: Unfortunately, I couldn't give you a yield per acre. It is actually an introductory crop. In the Nappan Valley of Nova Scotia, they have produced some acres on an economic basis, unless maybe Art Lotterton has some knowledge.

Mr. LeLacheur: I believe the crop in the Annapolis Valley is 3400 pounds an acre. They consider a ton, 2000 pounds, to be quite good. I would question at this time whether this would immediately become a predominant crop in Kent County. It requires quite a long growing season and it just hasn't progressed to this extent now. Manitoba is doing extensive work and one of Frank Calder's cohorts in Nappan is working very closely with Manitoba to just find out what areas in the Atlantic provinces can grow this crop. It is the same botanical species as the lime bean and the wild vetch. It is not really, botanically, the same as our garden beans at all.

Senator Williams: In the processing of the fababeans, would there be any by-products?

Mr. LeLacheur: At the present time they are all being fed as whole beans ground.

Senator Williams: Thank you.

The Chairman: Senator Benidickson, I believe, had a question.

Senator Benidickson: Mr. Chairman, I am not an agriculturist: I come from Northwestern Ontario where I guess we grow trees and produce pulp and paper, but I am prairie-born. We hear a great deal about freight subsidies in federal Parliament, of having advantages to the western grain producer and perhaps having advantages also, hopefully, to the agriculturists of Eastern Canada. What is the attitude of the group here? Who gets the benefit out of this what could be \$20 million?

Mr. LeLacheur: Mr. Chairman, may I speak on that?

Senator Benidickson: I just want to say one more word. Dr. Weaver, in his remarks, referred to the fact that barley could be produced in this province advantageously, and I don't want to confine myself to Kent County, but to Eastern Canada particularly.

Economically, can you tell us senators why we are spending maybe \$20 million to move feed grains to

Ontario, Quebec, Atlantic provinces, on a basis of freight subsidies? Is it of any help to you or do you think it is only of help to the western grain producer?

Mr. LeLacheur: Last Friday I attended the annual meeting of the Canadian Feed Manufacturers' Association, Atlantic Division, in Saint John, New Brunswick. The question of feed freight assistance was discussed there at that time. The conclusion reached by the meeting was that livestock producers in the Atlantic provinces would not exist without feed grain assistance. There are some products which are very nearly self-sufficient in grain supply. This may be for two reasons... one, that they grow enough grain to support their livestock and, secondly, they don't have enough livestock. You could take it either way. New Brunswick produces less than P.E.I., but more than Nova Scotia. The greatest extreme the other way is the poultry industry in the Annapolis Valley of Nova Scotia, which would completely go out of existence if it were not for feed freight assistance.

Senator Benidickson: I am glad to hear that as a westerner.

Mr. LeLacheur: And we have also established that the benefits of feed assistance, both the western grower benefits and also the eastern livestock producer.

Senator Benidickson: I am just worried about spending \$20 million, or whatever it is, in bringing coal to Newcastle, if you point out here that you could have much greater production of barley.

Mr. LeLacheur: One of the great difficulties with people producing grain in this area, are the tremendously wide price fluctuations. At this time, as we all know, prices are exceedingly high. It was only two or three years ago that western growers of feed grains would sell them at practically any price to get a dollar in their pocket. The cheap grain situation cuts the fruits of the growers here where we benefit from the high prices. We must have a greater yield per acre to assist here in growing grain than they do in western Canada, but it is the feeling of many that all livestock production should be on a land basis so that they produce a high percentage of their own grain. This is not the case and I don't think that we can change it at this point in time. Possibly Mr. Gilbert could give you further information on this later on.

Senator Benidickson: Thank you.

The Chairman: I might give you a bit of information; at least it would be interesting, anyway. As you said, sometimes the Prairie grain growers would take almost anything at all to dispose of their grain, and that was a bad situation, and certainly the prices were exceedingly low. But as of a few weeks ago, and I have no reason to think it has changed, the Canadian Wheat Board was selling the barley that I produce on the Prairies, cheaper within Canada than they could get on the export market. So all I am saying is that perhaps our farmers would argue on the Prairies... and I have heard no great criticism of it, but I think it could be argued that we are making an economic contribution to the people of the Atlantic provinces right now. So the situation has certainly been a tremendous turnaround in the last few months.

Senator Benidickson: Mr. Chairman, the International Wheat Agreement applies only to wheat, I suppose?

The Chairman: Yes.

Senator Benidickson: Is it effective?

The Chairman: It is not in existence any more.

Senator Lafond: Coming back to a statement that was made earlier this morning a couple of times, where I quote here from the brief:

We rely very heavily on the respective provincial departments of agriculture to communicate.

We have sensed sometimes that it is a problem of communications, not only in your sector, but in other sectors of legislation coming under the Federal Department of Agriculture.

Now, this situation where you rely on respective provincial departments, is that established federal policy or is that through a formal agreement with the provincial Departments of Agriculture, or is that a situation that has just developed by itself that you seem to have very little input into direct communication to the farmer?

Senator Benidickson: You mean the federal officials have not?

Senator Lafond: Yes.

Dr. Weaver: As far as responsibilities are concerned, this is policy, as I understand it, that we complement the respective provincial departments in this particular manner, that we are supported, the division I represent particularly in the area of research, and that the province has responsibility for liaison or communication of that information to the respective region. Our situation is complicated by the area terms of reference. If, as a regional research station, we are heavily committed to a role of extension in the Province of New Brunswick, then it would not be possible to be convincing in the area of research for the other Atlantic provinces.

Also, the establishment at Fredericton, in particular, has a Canada responsibility for the potato crop in that nearly three-quarters of Canada's total research resources for the potato crop are consolidated at that one centre, because of a conviction on the part of management that we can do, and must do—we can do a more effective job, I should say, on a consolidated basis in relation to certain areas, and demand for research.

So, again, in relation to this large program area, which is approximately three-quarters of our own resources, our area focus is from the Fraser River Valley in B.C. to St. John's in western Newfoundland, and it becomes very difficult to discharge these responsibilities adequately and be heavily committed at the same time in an extension or communicative role.

Senator Lafond: To your knowledge, the federal Department of Agriculture, as such, has no distinct public relations sector for the Atlantic provinces?

Dr. Weaver: Not specifically for the Atlantic provinces. We have an information division within the department, a scientific division within the branch. We disperse information to the farm communities and to the public through a number of media, through *News, News, News*, which is released to newspapers throughout the region, across Canada, in fact, and certainly into the Atlantic area. We generate a great deal of material for this. I have three scientists, for example, who write regular weekly columns for this newspaper here. There are many examples of this sort of communication. I would not want to leave the

impression either, senator, that we are not in contact frequently with the farm public, because there is considerable pressure on all of us to be relevant in relation to the problems of agriculture and it is very difficult to be relevant and to have a good understanding of the situations and the pressures that face agricultural producers, without some direct contact with the producers, their problems as they occur in the field.

Senator Lafond: Thank you, Dr. Weaver.

Senator Michaud: I suppose Dr. Weaver would not mind if I again quoted from that task force report and see what they have to say in connection with the feeling of the people regarding this cooperation between both federal and provincial authorities, and we can read in that connection following that:

There is a widespread opinion that better cooperation between federal and provincial agricultural departments is needed and that the role of the province is to complement that of the federal government in implementing programs.

Now, that is the public feeling among the population of the province, that the coordination between the two authorities should be improved. I really believe that if we want to improve our own image and our own credibility in the eyes of the public, that we will have to learn to communicate better with the masses of the people.

If you will permit me to cite one example which has taken place in Kent County, and which I know that Mr. Gilbert and his associates will endorse, if we have a tobacco industry in Kent County today it is only because of the Department of Agriculture in Fredericton took the initiative first, came down in the area first, bought a farm in Ontario where they had been growing tobacco before, maintained the administration of that operation for that number of years, which was required to prove that the tobacco-growing industry in Kent County was a viable industry. Once they had reached that stage, and once they had drawn their conclusion that it could be a profitable operation, their job was done. They made their presentations to the people who were concerned who since that time have been operating on their own successfully, I believe.

If we want to introduce the farming of small fruits or vegetables in Kent County as we are told that it could be profitable, I have a very strong feeling that we would have to do exactly the same thing as we have done for Quebec—federal and provincial authorities jointly will have to come down and start their own operation in the St. Charles marshes and prove to the people that it can be a profitable operation, just like they have done for Quebec.

If you want to get people involved in beef-raising, I think there will have to be a local pilot project initiated so that the people will see on the spot how it is being carried out. Prior to that, they are scared, they don't dare to try it. That is one reason why they won't do it, and number two, they need help.

I think it belongs to the state to make the initial step to show the people concerned that such a thing can be done and after that has been done, then I think some will follow, as they have in the Quebec region.

Mr. Lotherington: I can speak specifically for poultry, but I think I can speak for the other divisions as well. We were a little amiss when we read that statement that there is a lack of cooperation in the federal and provincial division

of responsibility that apparently is evident. Speaking strictly for the poultry division, if it were not for the cooperation of the provincial people, I don't think we could even exist in the Province of New Brunswick. As a matter of fact, we, as federal people, are actually enforcing provincial legislation. The provincial test at Fredericton, which has done marvelous work and is well recognized, and the benefits have gone or accrued to the producer, we contribute our efforts to this from a scientific standpoint and from a technological standpoint. We conduct joint schools, provincial-federal, for the benefit of producers, we put out joint bulletins, our coordinating committee has recently submitted one to Ottawa that will soon be coming out for the benefit of all Maritime farmers, and as a matter of fact all Canadian producers, and there are numerous endeavours, and we do it on a joint basis, and I was a bit perturbed at reading that because I just couldn't quite fathom why that statement was made.

If it were not for the excellent cooperation that exists between the provincial and federal here in New Brunswick, as far as poultry is concerned, we would have not come as far as we have during the past period of ten or twelve years.

Senator Michaud: Are you referring to that statement in the task force report?

Mr. Lotherington: Yes, I couldn't understand the basis. They probably have some basis for it but I can assure you that that division does not really exist in poultry.

Senator Michaud: In poultry.

Mr. Lotherington: Poultry.

The Chairman: Dr. Weaver wishes to say something.

Dr. Weaver: I would just add to what Mr. Lotherington has said, that our cooperation with the province has been exceptional over the years, no question about that. I think we would all concede that communication could be improved. We are all searching for a means to be even more effective in communication. This was my reason for giving emphasis to the restructuring of both federal and provincial services as we are located in the City of Fredericton at the Research Station proper, and I would think it would be fair to anticipate that Mr. Gilbert, the Provincial Deputy, would say, as I will say now, that communication problems, many of which have existed in the past, are being quickly resolved, that there are good opportunities and programs under development in order to do the sorts of things that the Senator has talked about, in relation to various commodities in the growing regions. This marriage, if I can refer to it in these terms, has only been in effect for some one month, a one-month term, and it must be allowed to work and nurture for a longer period.

The Chairman: It was not a shot-gun marriage either.

Dr. Weaver: No. If I might make a comment, I think we are all anxious to have the greatest amount of provincial-federal cooperation and coordination that is possible. We are all for that. However, I think the concern of the members of the committee has been that sometimes, after the greatest amount of cooperation, the farmers don't seem to have the information in the quantity and the type that they should have, and that is really what we are interested in. We are happy about cooperation. If more cooperation will bring more information to the producers, we are all for that.

However, I thought I might give the committee a point of information. On the Prairies, the main industry, as far as agriculture is concerned, I would think is grain production. Livestock production is exceedingly important, but grain production is very, very important. There are 175,000 grain producers on the Prairies and we are pretty well in the hands of government in the sense that they have a great deal to do with our business. A few years ago there was no communication that came to the Western grain producer on a regular basis from any agency of government, but Otto Lang, who is responsible for the Canadian Wheat Board, has initiated a newsletter or a letter, information letter, that goes out to every one of the 175,000 grain producers and in that letter is a tremendous amount of information that affects the business of the farmer with reference to growing grain, with reference to the things that can be done to grow more grain and I don't have to tell scientists how far afield you can go, if you start a letter from the standpoint of increasing production and then improving marketing and so on. As a farmer, all I can say is that we are better informed now than we ever were, and that is a great thing, that newsletter, and when a controversy came up, he just sent out a ballot to 175,000 farmers and they answered his inquiry by responding to it. I think almost 40 per cent responded to that circular letter, and for circular letters, that is exceedingly high.

I am not endeavouring to get into any controversy, I am not endeavouring to make any comment. All I am endeavouring to say is that on the Prairies, as far as the grain producers are concerned, something has happened and we get some information in the mail on a regular basis and you would be surprised at how many farmers carry that around and follow it closely, and I would just think whether it had to do with beef production, or poultry production, or anything, you are getting them now, but if there were regular information sheets sent to the individual farmer in the mail with this information in it, it would be of great importance. You may already be doing it.

They do receive this, Mr. Chairman, by commodity, through their respective provincial departments.

The Chairman: All the farmers we are billing do, selected mailing lists, depending on the commodity and the producer.

Senator McElman: May I have clarification? In what you have quoted from the task force report, Senator Michaud, you were not quoting, as I understand it, the conclusion of the task force, but a reporting of the feeling of those in active agriculture, is that not correct?

Senator Michaud: Right.

Senator McElman: So what we have here is a reported reaction of the practising farmer in New Brunswick that the coordination has not been there, that the information has not been coming forward. That is one side of the coin, they have reported that the people involved in agriculture feel this way. One appreciates that research people must put their time to just that—research; and those of us in New Brunswick who have had anything to do with administration know that the research stations of Agriculture Canada have done some tremendous work, there is no question of this. They have done experimentation—well, with the potato, as Mr. Gilbert will confirm, of course, the improvements here are just astounding over the years. There are other areas. The development of the poultry industry to the degree that it has come forward,

and the information has been getting through to the practicing farmer, but the question I would like to ask over and above all this, as scientists, which in effect is what you are, experimental work, you can't be living in ivory towers, you must seek to find out if what you are doing is getting through to the people. So the question, obviously, to conclude all of this is: Are you satisfied that the results of the research being done by Agriculture Canada in relation to the Maritime provinces' agriculture, are effectively reaching the farmer?

Dr. Weaver: Senator, my own answer would be an unqualified no. I think that technology is slowly accepted. I could use, as an example, the acceptance of the new variety. We recognize almost irrespective of the commodity, that beyond the actual date of release there may be some ten to twenty-five years of time required before a new variety is produced on any large commercial scale in Canada. I am referring particularly to potatoes.

I am also referring to a number of horticultural crops within that time lapse. It is a relevant time lapse. It would be my feeling that technology has not been accepted and put to practice as fast as we would hope. I don't feel so entirely bad, I suppose, about this. It would be my point that it is very difficult to reach the total grower population through extension, through communication of research. I recognize that there is a certain small core of rather dynamic and aggressive producers who produce a very significant part of the total acreage who are perhaps most hungry for technological information and who will go to great lengths to a great extent to obtain this information, not only in relation to New Brunswick, but on a world scale. Those growers, as you well know, influence other growers to a very great extent and are very effective extension persons in their own right. I use that communication facility as well, or I should say, perhaps I recognize that this exists and for this reason we attempt to identify that type of producer and work especially with him because he is usually much more responsive to technology and will innovate much faster and educate other growers much more rapidly.

The Chairman: Are there any other questions? We are running a little behind time, and it may not be serious but the people on next will be on after lunch.

Senator Fournier (Restigouche-Gloucester): I am satisfied, after the good brief of Dr. Weaver, that even in Kent County we have the potential, the land, to grow good crops. We also have the market, apparently, in New Brunswick and even the local market, and I am sure we have the people. So there are an awful lot of people doing nothing or living on unemployment insurance, who might be doing something else.

Twenty-five years ago we had hardly any people not working, unemployed, because a great percentage of the people were working on the farm. Now, with all the research that we are doing, and all the good work that is being done both provincially and federally, if our information as it was stated, does not reach them, how can we recover from that threat of losing our people from the land? This is what we want to see: first information from the farmers themselves, so that something can be done to change the situation and, as Senator Michaud said, it is a social problem right now and the people are not satisfied that what we are doing, what the government is doing, is really just money being spent for nothing, but I think that coming here this morning we are spending public money

and I think that if we are not able to do something for the farmers, for the benefit of the farmers, I think we are wasting our time. That is what I would not like to see, even if it means expenditure of money, public money. The experts here should tell us if the government is not doing enough, if we should take certain steps to change the situation.

Mr. Weaver: If I could comment to Senator Fournier, Mr. Chairman, I could use as an analogy a situation I encountered while in Southern Ontario in relation to the urban pressures on the Niagara fruitlands, and these have been quite great. We have expended considerable efforts there to identify alternate land areas, as you know, which can be used to support grape production in the wine industry. This has been possible and this has been identified in, strangely enough, Kent County and adjoining Elgin in Southern Ontario, and I was part of a 12-man program to establish by-product feasibility of this grape production.

The greatest problem, though, that we foresaw and had not to that date resolved, was the lack of farm-management expertise to grow that grape and vine crop, because that expertise was quite characteristic, it was localized, housed in the Niagara District, it seemed very difficult to be able to transfer that expertise physically moving the grower's family into that Kent-Elgin area, it was a very involved program to take a field-crops producer, a traditional corn or soyabean producer and convert him by training, by education, to the point of specialization where he was a horticulturalist. The analogy is somewhat similar to Kent in New Brunswick because we have traditionally, I suspect, been talking in terms of the mixed farm type enterprise. The commodities which I have identified which have potential are specialized in the commodity production areas whether it is beef, poultry, hogs, whether strawberries, blueberries, apples and so on. We do not, in my opinion, have sufficient managerial skills in order to cope with these very sophisticated demands in this day and age for production of these respective commodities. This is one of the primary problems that I think has to be faced if the potential of which I have spoken is to be realized in Canada.

Senator Benidickson: What would be the time period for developing viably, shall I say, a grape crop?

Dr. Weaver: I don't think it is a large period of time, Senator Benidickson. I would think that if there were interest on the part of the end producer, for example, then moving into wine-grape production that perhaps two of three years spent in association with a successful operation would teach that individual all about the skills that he would need.

The Chairman: Are there any other questions?

Mr. Calder: Mr. Chairman, could I comment on the last one or two questions here? I think an analogous situation in Nova Scotia developed a number of years ago. It is probably not an answer but it will help explain or understand some of the same kinds of problems that we have in so many areas. In one of the Eastern Counties of Nova Scotia, a situation was developing into somewhat of the type of situation we are talking about in Kent County now and maybe was at that time too, but the old original Scottish settlers with families who had lived there for 100 years or so, had not progressed or kept up with the changes in agriculture, but there is a viable agricultural industry in relatively small communities, but in that area

now, mainly due to the fact of the immigration of the Dutch families who moved into the area, took over the same land the original owners had left, sold or whatever, and have made a success of it. This is not an answer in itself, but it is an explanation of some of the problems that can be created and can evolve so that education and the whole aspect apparently is necessary if we are going to really change the situation.

The Chairman: Senator Michaud?

Senator Michaud: I suppose Mr. LeLacheur is still waiting for his answer about the use of fertilizer in Kent County. Well, I don't know, Mr. LeLacheur. The reason I delayed was that I am not sure myself, but when I see that our area of improved land has been reduced by 35 per cent within the last five years, maybe part of the answer would be that we did not use enough in the first place.

Secondly, those who are still in existence—and they are not potato growers, there is only one in Kent-County—can't account for the increased amount of fertilizer. Maybe the tobacco growers are; they use a lot of fertilizer.

Now, if I am wrong on that score I have the great pleasure at this time to say that the local representative, the ag. rep. who has represented us for 35 years, could enlighten me on that I am very happy to salute him right at this time. He took his well deserved pension a year ago after serving us so well, as I said, for 35 years.

[Translation]

Hello Mr. Robichaud, I am glad to see you.

[Text]

Would you like to comment?

Mr. J. P. Robichaud, former Agricultural Representative: I would like to comment, but I would like a few minutes before I do.

Senator Michaud: As to why the price of fertilizer has been going up in Kent County.

Mr. Robichaud: It goes to show that most farmers who are still farming in business do realize that they have to work properly to get crops and those who do still farm use more fertilizer than they did in the past along with better varieties of seed and so on. I think the farmers in Kent County who have remained on the farm are quite efficient and if you fellows can bring across a policy which will help them to get along still better, they will be happy, a lot happier than they are now.

The Chairman: Senator McGrand, a short question, and then we will go on to the next item.

Senator McGrand: This is a short question and I expect a short answer. You mentioned Dutch farmers. They are successful, I agree, but do you expect that the second generation of these Dutch people will continue the life of the present occupants of the land?

The Chairman: You are getting more like the rest of us.

Mr. Calder: I would like to answer no.

The Chairman: Well, if there are no further persistent questions, I think we will thank Dr. Weaver . . .

Senator Petten: If I may. I would like to know how many head of cattle would be needed to make a viable livestock

operation? Maybe these gentlemen here can give me a better idea. When the other witnesses appear before us, I can probably find out from them what they say.

Dr. Weaver: It is always a difficult question, I must concede, because of the capitalization, the assets and so on, all come into consideration. From the standpoint of the dairy herd operation, we tend to think in terms of 30 cattle as being as economic unit. Beef, I am not so sure of.

Senator Petten: Beef I am more interested in.

Dr. Weaver: I am not entirely sure what it would be for beef.

Mr. Calder: Well, just as a figure that the provincial people can refute, we like to see an acreage of 200 acres which might, under ideal conditions, sustain 200 head of cattle in this part of the country, not in the Prairies.

Senator Benidickson: Based on some material, as I say, we are very grateful to Senator Michaud for supplying, and some others, based on your one, two, three, four grades of land, how does that relate to that?

Dr. Weaver: To sustain beef cattle?

Senator Benidickson: Yes.

Dr. Weaver: I would think class 3 land would be reasonably well suited. I think class four would be more tobacco-type of soil.

The Chairman: I think we will press on and thank Dr. Weaver and Mr. Calder for their presentation and the other officials. I think it has been most helpful and most enlightening. If we have need for further information from you, I am sure we can get it by corresponding and if we get really anxious to have some further clarification, we may invite one or more of you to come to Ottawa and give it to us in Ottawa.

Thank you very much for your presentation.

The next witness on our agenda is the Deputy Minister of Agriculture and Rural Development of the Province of New Brunswick, Mr. Reginald Gilbert. We welcome him here this morning, and I am sure he will have a valuable contribution to make. I believe he has a couple of officials with him, whom he may wish to bring up to the front, and I will just allow him to introduce his officials.

It is 12:00 o'clock. We might hear their formal presentations now, adjourn at 12:30 and come back, according to our agenda, at 2:30, unless we think we should come back a little earlier.

We have with Mr. Gilbert, Mr. Bastin and Mr. Schousboe, whom we welcome.

We are delighted to have the Deputy Minister of Agriculture and Rural Development for New Brunswick with us this morning. I am sure he will wish to comment upon some problems that have been raised, and I am sure he will give us a lot of very valuable information. It is my pleasure to call on Mr. Gilbert.

Mr. Reginald Gilbert, Deputy Minister, Department of Agriculture and Rural Development, New Brunswick: Mr. Chairman, the way we propose to handle this short brief is that I will take the first part, and I am asking Mr. Schousboe, the Director of Extension for the Department of Agriculture, to take the second part, and Mr. Bastin, Secretary of the New Brunswick Forest Products Com-

mission, the third part. We will be glad to help you with anything you may be interested in.

May I make a little apology at the beginning? This brief was gotten up in rather a hurry. We didn't know anything about it until 10 or 11 days ago, when our people were at a very busy time of the year, and we got it out to the typewriters last night and there are two corrections for which I apologize.

Mr. Chairman, the New Brunswick Department of Agriculture and Rural Development appreciates the invitation to make a presentation to your Standing Committee on Agriculture on: The matter of marginal, sub-marginal and abandoned farm lands in eastern Canada, noting in particular the situation in Kent County".

Incidentally, as a matter of interest, Mr. Chairman, I might say I had the pleasure and privilege of knowing Senator Michaud and many others around this table, who will remember that I served as agriculture representative in a part of Kent County some—I am ashamed to admit this—35 years ago, when I worked in this part of our province, so I know something about the background of agriculture and the operation of the industry in that particular area of our province.

THE GENERAL ECONOMY:

The economy of the province, much like that of the other Atlantic Provinces, is underdeveloped in relation to the national economy and is characterized by relatively high unemployment, out-migration, low income and lower labour force participation rates. The causes for this situation are partly found in the fact that the New Brunswick economy is primarily resource-based with a relatively small manufacturing sector, and in the fact that we have little or no comparative advantage in any industrial sector beyond those that are strictly resource-based.

In order to prevent the perpetuation or intensification of problems related to economic underdevelopment as reflected in many aspects of provincial life, both federal and provincial governments are attempting to improve the situation through development programs. A strategy for the economic development of the province has been developed in order to coordinate these programs and to maximize their impact.

The following extracts from a "Joint Federal-Provincial Economic Development Strategy for New Brunswick" (Feb. 1973) may provide the necessary perspective to an understanding of the problems at hand and the Government's approach into solving them.

The rapid modernization of the primary sectors, combined with the low rate or growth of demand for agriculture, forest and fish products (relative to the demand for industrial products) has meant that employment in the traditional sectors has not increased sufficiently to absorb the very rapid growth of population and labour force which has occurred. Out-migration, low labour force participation, and high unemployment has been the response to this situation.

The objective of this strategy is to raise per capita incomes in the province by increasing income from employment. It is also an implicit objective of the strategy that per capita income should be raised without increasing the rate of out-migration from the province.

Since one ultimate aim of the strategy is to improve the material standard of living for those most in need, a further implicit objective is that the increase in income should be distributed in such a way that the lowest income groups do not become absolutely or relatively worse off.

This objective is to be achieved by creating the maximum number of viable long term employment opportunities for New Brunswick citizens. Thus, emphasis must be placed not only on the attraction of new enterprises but also on the preservation and strengthening of existing activities where these jobs can be self-sustaining in the long term.

In the agriculture and agricultural products sector, the strategy will be to raise earnings by expanding output per worker in farming and to ease the adjustment of the rural community to changing circumstances. At the same time, every effort will be made to increase the volume and the degree of processing of the agricultural output within the Province. Only through increased processing activity can the decline in agricultural employment be moderated.

THE AGRICULTURAL SECTOR:

According to the 1971 Census, 43% of the New Brunswick population is "rural" in comparison with 18% in Ontario and 24% in the nation as a whole. Although the province remains very rural by national standards, urbanization is increasing in the province more rapidly than in many parts of Canada. While the provincial population increased by 18,000 between 1966 and 1971, the rural population declined by 31,000. Most of this decline occurred within the population living on producing farms. This has been a continuing trend over the last twenty years with the result that many marginal and sub-marginal farms have been abandoned or at least gone out of production.

Agriculture, nonetheless, continues to play an important role in the New Brunswick economy. Farm Cash receipts in 1972 amounted to \$64.2 million. The contribution to total farm cash receipts by major enterprise for the period 1968-1972 is shown in Table I below. (*See appendix "B", Table I*)

You will note the important place that potatoes claim in the economy of the agricultural industry and the economy of the province. If you go down to livestock and livestock products, you will also see by adding 8 million, plus 4 million, plus 11 million, that it too is a very important factor in the agricultural economy of this province.

According to the 1971 Census of Agriculture, there were 5485 census farms in the province. A breakdown by economic class is illustrated in Table II below. (*See appendix "B", Table II*)

The only comment I would like to make on this table is that you will see a large percentage of farms under \$2,500 income, and I would like to add to this figure that many, many of those people who are getting \$2,500 or less from their farms are picking up perhaps, in many cases, a substantial income from off the farm, which is not a bad type of economy. I think that there are a lot of people in this area of Canada who do pick up perhaps \$2,500 or less, but in addition to that they have something outside—it may be in the near city; it may be driving a school bus; or it may be a dozen and one other jobs or other sources of income.

More statistical information could be presented to more accurately describe the farming sector in New Brunswick. The fact, however, remains that over 50 per cent of all farms in the province have annual gross sales of less than \$2,500. These are indeed small farms and all might be described as marginal or sub-marginal depending on to what extent they are "part-time" and how much other income is supplemented to the farm income for family living. In fact many of the farms with annual gross sales of between \$2,500 and \$10,000 might be considered marginal.

Mr. Chairman, if I may, I will ask Mr. Schousboe to handle the next item or two.

Mr. Peter Schousboe, Director of Extension, Department of Agriculture and Rural Development, Province of New Brunswick: Thank you, Mr. Chairman and honourable senators. I would like to read to you the part of our brief in which we have attempted to discuss agriculture in Kent County.

AGRICULTURE IN KENT COUNTY:

The following statistical review is presented in order to place Kent County agriculture in perspective.

(1) The farm population as a percent of total population has declined consistently in Kent County, from 55 per cent in 1951 to 8.6 per cent in 1971. Kent County has, however, maintained about twice the farm population, percentage wise, (8.6 per cent as compared to 4.3 per cent for the province) showing a greater dependency on the agricultural sector.

(2) The number of farms has declined consistently over the past twenty years at a rate much similar to that of the province except for the 1966-71 period where a 49 per cent decline took place as compared to 37 per cent for the province. This decline seems to have taken place mainly among smaller farmers (less than 130 acres of improved land).

(3) Only 7.5 per cent (30 farms) of Kent County farms had sales of \$10,000 or more in 1971 as compared to 21 per cent (1,160 farms) in the province as a whole.

(4) Two hundred and sixty seven Kent County farms (66 per cent) had gross sales of less than \$2,500 in 1971 as compared to 52 per cent for the entire province.

(5) Statistics show a reduction in the number of young farmers but the largest decline has taken place in the higher age bracket. Young people are entering farming at a reduced rate.

(6) There are 372,034 acres of Canada Land Inventory classes two, three and four capability in Kent County of which 60,407 acres are cleared and 32,567 acres (1971 Census) are classified as improved farm land.

(7) Total sales of agricultural products in Kent County have reduced from 2.1 million (1951) to 1.6 million (1971) compared to an increase from 34.9 million to 46.9 million in New Brunswick.

(8) While capital value per farm has quadrupled in Kent County from 1961 (\$4,195) to 1971 (\$22,112) it remains at a lower capitalization level than the rest of the province for the corresponding years 1951 (12,333) and 1971 (31,579).

(9) Sales as a per cent of capital value has declined in Kent County from 1961 (29.9 per cent) to 1971 (18.0 per cent) relative to comparable New Brunswick figures of 22.1 per cent in 1961 and 27.0 per cent in 1971. Gross

return on capital is on the increase in the province as a whole but is decreasing in Kent County.

(10) Farms with gross sales of \$10,000 or more in Kent County account for 53 per cent of the total value of agricultural production but account for only 26 per cent of the capital investment. In New Brunswick, the farms in that category account for 78.5 per cent of the value of the agricultural products sold but represent 43 per cent of the capital investment in agriculture.

(11) Although the 1971 figures are not yet available on part-time farmers, the 1966 Census indicates that a very high proportion of farm operators in Kent county have an extremely low income.

In 1966, 47.8 per cent of farm operators were classified as part-time operators but over 93 per cent of all farm operators sold products valued at less than \$5,000. There may have been some improvement in this situation because the 1971 Census reveals that 18 per cent of the Kent County farms reported gross sales of \$5,000 or more as compared to 6.5 per cent in 1966. In comparison, 41 per cent of the New Brunswick operators were part-time farmers and 80 per cent of the farms reported sales of less than \$5,000 in 1966.

(12) Census figures for employment show that there were an estimated 400 full time jobs in agricultural production in Kent County in 1971 out of a total of 4,900 jobs in all sectors of Kent County's economy.

Mr. Chairman, I hope I haven't bored you with a lot of figures describing Kent County agriculture, but we felt it was really the only way to put the county in perspective.

The above statistical description of Kent County's farming sector indicates that the primary level of agriculture in the county has been, and continues to be, under extreme pressure to adjust to contemporary conditions. This pressure is felt primarily by the "marginal" and "sub-marginal" farming operations.

It is apparent that land has not been the major cause of the lack of agricultural progress in the County. It is reasonable to suppose that the lack of development of viable farm units is the result of the same factors that apply in similar areas throughout Eastern Canada.

We have made three points in reference to that. The wording is not as it possibly should be.

(1) The historical basis of agriculture in the region: Agriculture was never the dominant industry in the region; instead it was supplementary to fishing and lumbering. This lack of dependence on agriculture is common in most areas where agriculture has failed to adapt to modern technology and management requirements.

(2) The sometimes lacking of "entrepreneurs": Opportunities exist (e.g. tobacco, vegetables, muck soil development).

For example this morning we heard discussions on tobacco, vegetables, muck-soil development and so on.

Many small farmers lack the initiative as well as the managerial capabilities to undertake these developments.

(3) Proximity to the City of Moncton: Many young people have preferred to seek employment in the city; others have emigrated to the United States.

Opportunities do, however, exist for the expansion of agriculture in the County. Substantial areas, particularly along the coast, are suitable for tobacco and vegetable

production. A few farmers have taken advantage of the opportunities presented and have become successful tobacco growers.

Providing suitable storage and handling facilities were provided to ensure orderly marketing, a number of vegetable crops could be produced including:—carrots, cabbage, potatoes, etc. In some areas lettuce and celery could be produced satisfactorily providing pre-cooling facilities were made available. This would only be economical on a rather extensive scale. Any large increase in production would have to be based on an export market. According to soil surveys there are—and Dr. McLean could comment on this—approximately 5,000 to 6,000 acres of sandy loam soil which have been in production in some crop or other during past years. In most areas the production of vegetables on this sandy soil would require irrigation.

In the Richibucto area, research work has indicated a considerable potential for the production of vegetables on peat bogs. Over 4,000 acres of bog are available for development.

The New Brunswick Department of Agriculture and Rural Development is aware of the problem of marginal and sub-marginal farm operations both in Kent County and throughout the province.

We are making plans to improve our information services so that communication between the Department and farmers is improved. With some reorganization of our Extension Branch and more effective coordination of programs, we feel our staff both at headquarters and in our district offices, will be in a better position to provide technical information on the various aspects of production and marketing as well as keeping the farming community informed on Departmental policy.

We plan to continue with programs aimed at assisting with land improvement. The Farm Adjustment program will continue to assist farmers in developing economic and viable farm units through farm enlargement, farm consolidation and the extension of secured credit where needed and requested. The recently implemented Federal-Provincial Small Farm Development Program will also provide assistance in alleviating the small farm problem.

Thank you, Mr. Chairman.

Mr. Gilbert: Mr. Chairman, might I ask Mr. Bastin if he would lead off insofar as our woodlot program is concerned and so far as our thoughts are concerned in this connection, with reference to Kent County? Mr. Bastin, please.

Mr. Verne Bastin, Secretary, New Brunswick Forest Products Commission: Mr. Chairman, in common with many sections of New Brunswick, the forests of Kent County at one time supported a thriving sawmill industry. During the depression days and in subsequent years the long lumber trade was supplanted by the production of pulpwood and pit-props.

Unfortunately, no pulp mills are located in Kent County and all of the pulpwood must be shipped elsewhere for manufacture. A combination of high transportation charges and a buyer's market has resulted in low prices being received by the owners for the products of their woodlots. During the Korean Crisis the price of pulpwood increased substantially and this resulted in the over-cutting of many woodlots.

The degradations of the balsam woolly aphid and the spruce budworm have further depleted the Kent County forests. Consequently, the combination of over-cutting and insect damage have resulted in woodlots consisting largely of stands of second growth timber. The annual increment in these stands is not sufficiently large to make a significant contribution to the income of the majority of woodlot owners. Woodlot owners in the County may wish to investigate some form of cooperative forest management.

According to the New Brunswick Assessment Rolls for 1972 for Kent County there are 295,069 acres of small, privately owned woodlots. Ownership is divided amongst some 3,972 woodlot owners for an average area of 74.29 acres. It is also indicated that 51 per cent of the woodlot owners own only 19 per cent of the area. In this case the average area per woodlot owner is only 27.52 acres. With such a situation it is probably not practical to manage and harvest individually on a continuing basis the allowable annual cut from these woodlots.

In addition to the size of the woodlots and the condition of the trees, cognizance must be taken of the age of the woodlot owners and the degree to which they could participate in a program of stand improvement and wood harvesting.

The Survey of Primary Forest Production, Department of Natural Resources, indicates a decline in the provincial production of primary forest products from privately owned woodlots under 500 acres in area. In the 1960's it was about sixty million cubic feet while in the year ended March 31, 1972 it amounted to only thirty-five point eight million cubic feet. Similarly, production by woodlot owner-operators has been decreasing and information from several sources indicates that it may be as low as 10 per cent of the production from private woodlots. The major part of the production is by operations related to land or stumpage sales by which land or cutting rights are sold to operators who remove the merchantable mature timber and growing stock to recover their investment.

It is apparent that small individually-owned woodlots are not economic units for annual cutting operations. It may be desirable to group them together in some form of co-operative management so as to provide revenue for their owners, wages for those who wish to work in rural areas and a continuing supply of fibre for wood using industries.

One such program is the "Groupement Forestier" plan in the Province of Quebec where a large scale project is currently in progress in an attempt to improve a situation similar to that in Kent County. It involves contributions by Government in the form of both forest land and money but its proponents are convinced that this is justified by the results anticipated. The benefits foreseen include providing much needed work for those resident in the community as well as the improvement and expansion of the growing stock in the forest.

The Provincial Department of Agriculture and Rural Development is currently providing financial support for a survey to determine the wishes of the owners concerning the co-operative management of their woodlots.

Mr. Gilbert: Mr. Chairman, in summarizing very briefly I would just like to say that I think it has been indicated by the figures that have been given, that: (1) Kent County has a high percentage of small farms, many of which could be described as marginal or sub-marginal.

(2) Coordinated Government efforts will focus attention on not only the production and marketing of traditional crops and livestock products, but also on higher-value added commodities. Major efforts will be deployed to improve the managerial ability of the farming entrepreneurs and the necessary advisory services. Present and renovated programs on land improvement and consolidation as well as capital assistance will become part of the current rural development effort in Kent County.

I would like to add also that this morning there was some discussion on the degree of cooperation between the federal and provincial departments of agriculture in this province, and I want to support the statements made by two or three of our federal counterparts that I think the cooperation that exists between the two departments in New Brunswick is excellent and to prove that, as Dr. Weaver indicated, we have recently, Mr. Chairman, moved our headquarters to the city of Fredericton, and you will see Friday, when you are up there visiting the Research Station, that the provincial headquarters and the federal Research Station and many other services of the federal department are under one roof.

Our service centre, which consists of the engineering branch, the veterinary branch, artificial insemination and soil testing have been on the federal Research Station for some eight or nine years so I just want to say and clear up any misunderstanding that might have been created that, as far as we are concerned, we are very happy with the cooperation that now exists and which always has existed, so far as I am concerned, not only with the Research Station, but with everybody else.

And lastly,

(3) Some form of cooperative management of Kent County private woodlots would seem desirable.

The Chairman: Honourable senators, we have heard the formal presentation. Unless I hear objections, I think we should follow my suggestion that we adjourn now and come back at 2:30. At that time we will begin the questioning of the witnesses and discussion. I think we shall have enough time to do this after lunch.

The Committee adjourned.

Upon resuming at 2.30 p.m.

The Chairman: I think we are ready for questions. If I am pardoned, I will ask the first question, and it is this: With all the good work you are doing and all the good cooperation you are getting, what would you project as to the trend in the quantity of land that will be farmed in New Brunswick, the number of farmers and so on? We are interested, of course, in having as many farmers operating farms as is economically possible. What do you see as the trend and what can you do about it?

Mr. Gilbert: Well, Mr. Chairman and honourable senators, that is a good, broad question, and if you go back over agricultural development in the past—I don't care how long, 20, 25 years—regardless of whether you are talking about any province in Canada, or any State in the Union, you will find that fewer and fewer farmers are producing more and more food.

With the advent of modern farm equipment, I would expect that the size of farms in those areas that lend

themselves to enlargement and consolidation will likely continue and, at the same time, I want to point out most emphatically that there will be also a place in the scheme of things for small efficient farms and we have a great many of them in this region and I am sure in all regions of Canada. When I say small, efficient farms, I am referring to the small fruit and vegetable farms that do their marketing either through a roadside marketing set-up or through some other set-up. I am referring to poultry set-ups and so on. You don't have to have a big farm to be efficient, but, to answer your question, with modern farm equipment and considering the trend of the past quarter of a century, I would expect that trend will likely continue and, at the same time, there will be a place in the scheme of things for efficient, small farms.

The Chairman: Two questions: Do I take it that you believe that a reduction in the amount of farm land will continue, which is apart altogether from the number of units? There seems to be less and less land being farmed. Do you see any chance of expansion of agricultural land? There is a tremendous shortage of food; there is a tremendous demand. It seems an absolute shame that land should be being abandoned in New Brunswick when the world needs food and Canada needs food.

Mr. Gilbert: You need not say just New Brunswick, senator. You can say that of many other areas, and the answer to your question is very simple. It will depend on the economics of the production of agricultural products in this country. When you pay farmers sufficient, they will open up land, they will farm land if the population is on a sound economic basis. When you go back over the price of farm products, up until perhaps a few months ago, and take a look at some of the commodity prices, whether you refer to hogs or whether you refer to hens or broilers or most other commodities, you will find that there have been many times over the last quarter of a century when farmers were producing at a break-even point or below a break-even point.

So, to answer your question, it depends entirely on the price of the product back to the producer.

The Chairman: If you don't mind my interjection, I would think it also depends upon policies that governments follow on encouragement to farmers and on some method of showing them the way. The good economic factors may be there, but it takes more than good economic factors: it takes an accumulation of capital, an accumulation of knowledge, and it takes some leadership. I am interested in these other things, not just the economic factors, which are exceedingly important.

Mr. Gilbert: Exactly, I couldn't agree more. I think, with the price base being right, then you have got to provide the other factors that go into a successful agricultural operation, I agree, sir.

The Chairman: Do you think, with all of these good factors, that the trend to a continuation of the abandonment of farm land in New Brunswick may be halted?

Mr. Gilbert: It may be halted, depending on the demand for food products and whether or not a man can make as much on that farm unit as he can make in competing industries.

The Chairman: Other questions?

Senator Inman: I would like to ask how much counselling is available with regard to what crops, which are suitable for specific lands; and if the farmer asks for someone to go out and view his land, would somebody be sent or would he get a letter instead?

Mr. Gilbert: Somebody would be sent and some of the services that we are offering to the province, not only in the County of Kent, but in the other areas of the province, we have an extension service, we have a veterinarian service, we have an egg-engineering service, which deals with farm drainage, farmland improvement, home economic service, a farm management service and a woodlot extension service, so to answer your question, if we get a letter from a farmer wanting advice, we would do our very best to get a person there as soon as we possibly could, which would be a matter of days, not weeks.

Senator Inman: That would be good. I have another question. This is really, I suppose, the federal government alone, but what incentives could you offer to induce young people to go back to farms? I know some young people who would like to go but are afraid of the cost of setting up. They are afraid of getting too far in debt, but I know of some young people who would like to go. Now, what incentives could you give them if they went to the farm?

Mr. Gilbert: I will just give you a few of the services and incentives that we offer. These are mostly provincial but there are some federal-provincial, including, for example, programs that are jointly shared in some cases—land clearing, land drainage, limestone assistance. We pay all the freight on limestone to every county in the province. We give building grants to all types of farm buildings, practically speaking. We have a Farm Machinery Loans Act program now; we have a livestock incentives program; we have a purebred livestock improvement program; the farm adjustment under which we loan to something like 1,200 clients, in addition to the federal, who have a federal Farm Credit Corporation, which you will be hearing more about, I believe, tomorrow. They have a thousand clients, I think. Then, in addition to that, we have other programs that apply to the small as well as the larger farmer.

Senator Inman: May I ask a supplementary to that? What would you consider the price, we will say, for a young couple without any capital. Supposing they wanted to buy 100 acres, how much would you consider it would take them to get into production, say, of general crops?

Mr. Gilbert: I am going to refer to Mr. Schousboe, because he was a member of our farm adjustment board up until recently; and he was also in charge of our farm management program. It depends entirely upon what part of our province you are talking about. If it is up in the more expensive area of our province, land runs about \$200 per acre. Then, if you are in livestock, you have to figure on your livestock cost; in addition to that, all your haying equipment, all your planting equipment, your storages and so on. So it depends entirely whether you are talking about a livestock program or whether you are talking on a straight—

Senator Inman: I am talking about general farming, and I am talking about Kent County.

Mr. Gilbert: How much would it cost to get into farming on a 100-acre unit?

Senator Inman: Yes.

Mr. Gilbert: Peter, do you want to take a shot at that?

Mr. Schousboe: It is very difficult to answer that question. It would depend a lot on the enterprise, as the Deputy Minister said, on the location, but for a general farming operation in Kent County, I would just estimate that it might require \$20,000 to \$30,000 of capital investment.

Senator Inman: Thank you.

Senator Benidickson: We are only talking about 400 full-time jobs, what your statement said on page 7?

Mr. Gilbert: Yes.

Mr. Schousboe: Yes, senator.

The Chairman: Other questions?

Senator Norrie: When you say that you can service these people with personnel, information and all that sort of thing, the majority in Kent County speak French. How many of those officials can make themselves understood in the French language?

Mr. Gilbert: We service our French-speaking areas with people who are very bilingual, people who speak the French language. This is our policy and it always has been; in other words, we have French-speaking people as well as English-speaking people, and the French-speaking people service the French-speaking areas.

Senator Norrie: From what I have understood, the fact that they do not communicate in French has been a very great handicap.

Mr. Gilbert: I see some of our retired staff sitting there, but I think we have had our French-speaking areas reasonably well served by French-speaking people over the years. There is a scarcity at the moment of degree graduates but our French-speaking areas of the province have been served by French personnel.

Senator Norrie: One of the briefs states the fact that it is a very serious matter.

Mr. Gilbert: Well, the fact that there is a scarcity of French-speaking agricultural graduates is a serious matter, but what we are trying to do and are doing, is we are getting French-speaking technicians to fill these vacancies, but this is a problem not only here, but in other parts of Eastern Canada. There is a scarcity of French-speaking degree people, that is right, Senator Norrie.

Senator McElman: To carry that through, what are the numbers now? How many ag. reps. have you got in New Brunswick and how many of them are bilingual?

Mr. Gilbert: We have bilingual men in all the French-speaking areas.

Senator McElman: What are the numbers?

Mr. Gilbert: I can't tell you exactly.

Senator Fournier (Restigouche-Gloucester): I understand there were five or six. As you said, there are three there that we see, and I imagine there are two or three more. Would there be any replacement for them?

Mr. Gilbert: Yes, that is right, we are replacing the men who have gone on retirement, as quickly as they become available, either by degree people or by technicians.

Senator Fournier (Restigouche-GloUCEster): How does the salary of these people who have a degree compare with other salaries in various departments?

Mr. Gilbert: In Canada?

Senator Fournier (Restigouche-GloUCEster): I would say in the province.

Mr. Gilbert: I would say we pay our people across the province the same salary, regardless of where they work. An agricultural representative in Kent gets the same salary as an agricultural representative in some other area.

Senator Fournier (Restigouche-GloUCEster): That is not what I mean. I mean in other professions or other degree professions, engineers, for instance in the various other departments?

Mr. Gilbert: I have not taken the trouble to check our salary scale compared to, as you say, Senator, the engineers. I would expect, because of the scarcity of French-speaking agricultural graduates, I would suspect that the salary range in engineering and doctors and lawyers would probably be higher. I expect that is why a lot of—

Senator Norrie: Would there be an interpreter available to go around with an English representative if you couldn't find a French representative to explain to the French-speaking people?

Mr. Gilbert: We have no problem getting interpreters in our own department. For example, if there was an English-speaking person went into a French-speaking district, then we would have one of our own French-Speaking staff do the interpreting.

Senator Norrie: They are always available, are they?

Mr. Gilbert: Oh, yes.

Senator Norrie: Thank you, that is all I wanted to know.

Mr. LeLacheur: There are nine listed, six are active.

The Chairman: Senator McGrand has a question.

Senator McGrand: When we deal with the Maritimes and the rest of Canada, it is a question of time, temperature and so on. Now, I looked up the difference in the temperature of the soil as compared at Harrow, Ontario. I find that the temperature of the soil runs from 5 to 8 degrees higher at Harrow compared with Fredericton. The temperature of the soil has a lot to do with the growth of the crop. At the same time the Maritimes have ten to twenty per cent less hours of sunshine, growing by the sun. How does that affect growth here in New Brunswick, growth of crops as compared with the more favourable parts of Canada? It must affect it. That is why I mentioned corn this morning. I mentioned corn this morning.

Mr. Gilbert: Yes. Senator McGrand, down here, when you look at our planting dates compared to western Ontario, you will find that there is a vast difference because of the very thing you mentioned. The ground warms up faster in western Ontario, it is further south than Northern California and that is the place where most of our canning crops are grown for that reason.

Senator Benidickson: Harrow is the best place, at least that area.

Mr. Gilbert: Insofar as corn is concerned, it is the corn belt of Canada and it is the corn belt because of the very reason that Senator McGrand states: it warms up quicker, you can get your corn in earlier and you have a long enough growing season that your corn grain matures, and down here we can't do that as yet, as was mentioned this morning, because our growing season is not long enough at this moment.

Senator McGrand: So we are handicapped by a shortage of hours of sunshine and temperature in the soil.

Mr. Gilbert: And heat units, as we say.

Senator McGrand: That is why I mentioned that, because when you talk about the expansion of agriculture, you have got to take all of these things into consideration.

Mr. Gilbert: Right.

Senator McGrand: You mentioned this morning marginal farming. Were you thinking of marginal farming to the quality of the soil, or in the smallness of the size of the farm operation, or was it both?

Mr. Gilbert: Both. We have a lot of pretty hungry soil in this part of the country. It once supported a family with a pretty decent standard of living in the horse-and-buggy era, and they had no problem, as you well know. Now, with the advent of machinery, those little farms in many instances found difficulty in generating enough capital to pay the overall capital input.

Senator McGrand: Now, can anyone tell me the number of cattle you have in Kent County today, I mean all cattle, milking cows, beef and so on? How many cattle would you have in Kent County today?

Mr. Gilbert: I do not have that information.

Senator McGrand: I had that this morning here, but I can't find it.

Mr. Gilbert: Just a minute. Mr. Schousboe has it.

Mr. Schousboe: Total cattle, senator?

Senator McGrand: The total, yes.

Senator Benidickson: For the province?

Senator McGrand: No, for Kent County.

Mr. Schousboe: According to Statistics Canada, the total of cattle in Kent County at June 1, 1971 was 8,433.

Senator McGrand: 8,400?

Mr. Schousboe: That is correct.

Senator McGrand: I tell you why I mention that, because I happened to go back and look up the census in 1901, 1911 and 1921. I chose 1911 because there is very little difference in the census of 1901 and 1911 and 1921, but I chose 1911 because that was a period in New Brunswick when there was not much difference between the earning power of the people on the land and the earning power of the people in the City. A man in the city worked for very little more money than did the man in the country.

Now, at that time Kent County had 8,300 milking cows and it had 11,597 cattle of other kinds. That makes a total

of about 20,000 cattle in Kent County in 1911, and today we are down to 8,400. I can understand what happened, but I understand that in those days there was no such thing as creamery better; it was dairy butter.

Mr. Gilbert: Homemade.

Senator McGrand: Homemade dairy butter, and the production of butter in those days was about as much as it is today, I understand.

Mr. Gilbert: More.

Senator McGrand: I suppose that in those days cattle didn't get much mill feed, did they? They fed them what they grew on the farm.

Mr. Gilbert: Right.

Senator McGrand: But in those days there were 47,000 bushels of wheat grown in Kent County, 2,000 bushels of barley. The production of barley would be higher today, wouldn't it?

Mr. Gilbert: Not in Kent County.

Senator McGrand: There was 18,000 bushels of oats. How would that compare with today?

Mr. Gilbert: It would be less today.

Senator McGrand: And here is the big difference: there were 93,000 bushels of buckwheat.

Mr. Gilbert: In Kent County?

Senator McGrand: In Kent County.

Mr. Gilbert: In 1911?

Senator McGrand: Yes. Of course, buckwheat was grown all over New Brunswick at that time.

Mr. Gilbert: Especially in Jerusalem and Hibernia.

Senator McGrand: There is very little buckwheat, I think, grown today. It seems to me there are only a few hundred bushels of buckwheat grown in Kent County today. Now, what is the possibility of reviving the growth of buckwheat in New Brunswick?

Mr. Gilbert: Buckwheat is a declining crop in this province and as far as I know, all over.

Senator McGrand: In the west too?

Mr. Gilbert: The honourable chairman to my left could tell you more than I.

The Chairman: It is wheat out there.

Senator McGrand: But, you know, in New Brunswick buckwheat not only fed animals but fed people.

Mr. Gilbert: You and I included.

Senator McGrand: We were always brought up on buckwheat pancakes.

Mr. Gilbert: May I refer that to Mr. LeLacheur?

Mr. LeLacheur: Within the past year there has been a market in Japan for a certain amount of buckwheat. There was some promotion done in New Brunswick; I don't know whether it was done in Kent County or not. The variety of buckwheat the honourable chairman refers

to, that is, the wheat of Western Canada, is the tartarian buckwheat, I believe the silver ball buckwheat is not permitted to be grown in Western Canada. That is a slight technicality.

The Chairman: I have never seen it grown.

Mr. LeLacheur: There is a possibility of a market for buckwheat in Japan but the freight costs might kill us.

Senator McGrand: Well, I know that about 1930 a blight struck buckwheat in New Brunswick and just simply destroyed it and I just wondered if you had overcome that, because how do you rate buckwheat as a feed for cattle, for beef and pork and on on? How do you rate it?

Mr. LeLacheur: Someone else would have to answer that. I know it is no good for poultry; they come up with black gizzards and so on.

Mr. Gilbert: It is pretty well down the totem pole, I would think.

Senator McGrand: It would not rate with this bean you are talking about?

Mr. Gilbert: I am afraid not.

Senator Lafond: Mr. Gilbert, on page 9 of your brief you say—and I quote:

The recently implemented Federal-Provincial Small Farm Development Program will also provide assistance in alleviating the small farm problem.

This seems to me to be a pretty neutral statement. I appreciate, of course, that this is still very recent legislation and that the agreement with New Brunswick was signed only last October. I wonder whether you could elaborate and give us an expression of your view as to the measure of faith that you put in this program, the measure of hope that you may have that it can bring results, and the measure of charity or generosity with which you would be ready to publicize it and make it available to people in such areas as Kent County?

Mr. Gilbert: Yes Mr. Chairman. The small farm program, as you indicate, was signed between the province and the federal. We didn't say very much about it because we knew that the Federal Farm Credit Corporation people, I think are going to be before you tomorrow. It is administered by the federal Credit Corporation with our cooperation. You asked me what the potential of the policy is in this province. I think it has a potential but I think there may have to be some amendments because it is not going quite as well or as rapidly as we would like, although I guess we are the third province insofar as numbers of applications and the number of farms handled under this program.

When I was in Ottawa two months ago meeting with other Deputies and people in connection with this program, I think Alberta led, they got at it first, Ontario was second, and at that time we were third.

Mr. West, the Farm Credit Corporation man, will go into detail, but I think it has potential in this way, and, as you know, the basis of the small farms programs is that it helps the vendor, the man selling, in that he qualifies for certain grants, and it makes it possible for him to sell to somebody who wants to get bigger. And the fellow who wants to consolidate or get a little larger is assisted by very favourable interest rates, so you are helping the man

who wants to get out to get out with a subsidy, and you are helping the man who wants to acquire that land to make his unit more viable to get that land with a low rate of interest.

So my answer to your question is that I think it has a potential. I think there may have to be some changes made in order to make it more applicable to perhaps all parts of Canada.

Senator Lafond: We have been discussing the necessity of informing particularly the small farmer on what is available to him. Are you in favour of giving it sufficient publicity in bringing it home to the clients, either as vendors or buyers?

Mr. Gilbert: Yes, we are working very closely with the Farm Credit Corporation in all aspects of the program. In fact we are taking on, before the end of this year, or as soon as they can find suitable staff, three people to concentrate on the new federal-provincial small farms program, so we are doing the best we can to make this work.

Senator Lafond: Congratulation, and thank you.

Senator Michaud: With regard to the small farm program, I think perhaps, as far as we are concerned in Kent County at the present time, it is the most vital piece of legislation that is coming before us. We have been speaking about it for some time in the last two or three years and I have been called before the media in Moncton a couple of times to explain what was going to be the policy of the government in connection with that program. I think we should give that program at the present time all the importance it deserves. That is why I would like to put on record at the present time some of the remarks made by the Prime Minister, Mr. Trudeau, on February 2, 1972, before La Coopérative Fédérée de Québec in Montreal. This is what the Prime Minister had to say in that connection.

We face another major problem, that of the transformation of rural society based in the past on small farm concepts. The fact is that the small farm, even with mechanization, is becoming less and less profitable. Technology and irresistible economic pressures demand land areas much larger than those that supported the old-time farmer. Lacking capital, the farmer is often unable to adapt to the system. Isolated and reduced to poverty, he must, in spite of his deep love for his land, sell it on unfavourable terms and move to an urban environment for which he is unprepared. The rural exodus too often involves farmers who feel a deep sense of tragedy in having to quit their lands. These are unhappy experiences that can be avoided.

The first aim of our small farms development program announced in December is to give small farmers who want to remain on the farm the means to develop a profitable enterprise. From the outset it is obvious that our policy greatly favours the family unit, the best way in most cases to operate a farm. It is, of course, impossible to stop the rural exodus completely but insofar as it is inevitable, it can be made more humane. This is a complimentary objective of the small farms development program. Under this program, persons forced to sell their land will sell to their advantage enabling them to retire with self respect. It will be possible to use the property acquired under the program to set up reserves of desirable farmland

which can be used to enlarge small family holdings and establish them on a firmer footing. In this way considerable stretches of land can be returned to their proper use. One need only look at the facts to realize that this program is a significant step towards furthering social justice. It will improve the lot of those who are less prosperous and help preserve the family farm.

We plan to spend \$150 million in that program. The program could be of assistance in the selection of the farming activities best suited to their soil, their climate and their farming methods.

Those are some of the observations made by the Prime Minister at that time on that particular subject.

I will say that the program that we are presently discussing is our last straw. We either have to make it work or the whole thing will collapse. Our entire hopes are centred and focused on this program, and we will never give it too much importance.

First of all, we have to sell it to the people. Here again I regret that I have to come back to the point which I had tried to make this morning, that farmers themselves still have certain misgivings towards that program. The task force report of LeBlanc and Nutter, on this question of small farms, says the following:

Most owners of small economic farms in the province feel that they are almost entirely bypassed by the provincial and federal departments of agriculture.

Those are the feelings of the people themselves as reported in that task force report; and I say it again, it is up to us at this time to make sure that this program is not going to be a failure; it is our responsibility to make sure that it will succeed, because it is the only way in which we can save that agriculture which still remains with us and which, believe me, is severely threatened to disappear almost entirely.

The Chairman: Any comments, Mr. Gilbert?

Mr. Gilbert: Well, I think one thing I got from the senator's statement was that the small farm program, hopefully, will have some promise to help the small farmer get out of his plight in many instances. I think, as I indicated before, that there may have to be some changes, as is always the case with any new policy of this kind. You never hit it quite right in the first round, and I expect that the federal and provincial authorities will take a hard look at this in a few months, or perhaps in a year or two, and try to improve it where it needs improving. I don't think I want to say any more on the senator's comments.

The Chairman: I wonder if I might ask a question? It is really more for elaboration than a question.

You stated, Mr. Gilbert, at page 9 of your brief:

We are making plans to improve our information services so that communication between the Department and the farmers is improved.

And then you go on to elaborate. I wonder if you would just kind of detail for our information, as much as you care to, what improvements you are making and, finally, what the extend of the service may be?

Mr. Gilbert: You know, when this matter was under discussion this morning, I had a chance to turn it over in my mind, and you see, as far as I am concerned—and I suppose there are people here who might disagree with

this, and I don't think this is written out in the BNA Act.—we have always taken for granted, rightly or wrongly, that the responsibilities of the provinces were the extension and education insofar as agriculture is concerned, and the main responsibilities of the federal were research and experimentation, and this is sort of the basis that we worked on.

Now, in New Brunswick, as I indicated at the end of our presentation this morning, we work very closely, one with the other in our province, because the headquarters of the federal is in Fredericton and our head office is in Fredericton, and I think that we make a pretty special effort to see to it that not only our own policies and programs get out to the people, but also if Dr. Weaver and his staff, or anybody else sitting out there in front of me have a new policy or program, we do our best to make sure that that gets out to the people. It is in our interest and theirs to see that we cooperate to the very best extent.

Now, what do we do? This is your question, Senator.

We have agriculture organized in our province, I presume, the same way as it is in most provinces. We have commodity groups, we have the Holstein Breeders' Association, Jersey Breeders, Poultry Breeders, Joint Broiler Boards, Apple Boards and so on, and each branch of our department has a reasonably good mailing list of most of the farmers—most of them. I didn't say "all" because that is impossible to keep—and all the commodity groups, in cooperation with our department, both departments I should say, I think do a fair job in getting out the information that is of interest and is of use.

I was fascinated, Senator Argue, with your comments this morning regarding the grain people. Apparently there is something going out weekly or twice a month or monthly, or what-have-you, but in our province there are newsletters, there are marketing board letters, there are commodity group letters, there are all sorts of ways and means that we use to get our information out.

Now, let us take a specific instance. The potato crop is just about the same to New Brunswick as the wheat crop is to Saskatchewan, we will say, and every night during the spray season we are on TV. We have a two or three minute spot and I believe this was gotten up, Dr. Weaver, with your people and ours. They make sure that this information goes out, when they should spray, what the humidity is and what diseases may be a threat. When I look at the news at 6:15, or whenever it is, there is a flash there every night to the people to keep them up-to-date insofar as the spraying operations are concerned. I can't think of another specific example where we do it on a daily basis. This is exceptional.

We are cooperating with the State of Maine insofar as getting information not only to our people, but to their State, is concerned; in other words, our department and the federal department here in our province are cooperating with the State Department in Washington in getting the latest potato information across by way of television to our growers.

I don't think I want to add anything.

Dr. Weaver: I could clarify that this is a program where, because of the similarity and proximity of the potato industry between Maine and New Brunswick, we, in essence, have a very similar approach to the problem. Their emergence, their population density, there are three prominent features, but that information which Mr. Gil-

bert indicates is being made available to farmers in the potato-growing area in order to improve their decision-making in regard to potential programs.

Mr. Gilbert: May I hasten to add, honourable senators, that I don't want to for one moment try to impress you that we are doing everything that can be done in getting information. I think we are going to keep working at that to improve our communications, to get the best information out.

Senator Lafond: Mr. Chairman, twice Mr. Gilbert has referred to the desirability of changes or amendments to the small farm development program. I wonder if he is in a position yet to give us an inkling of what kind of changes or amendments he would think desirable?

Mr. Gilbert: Mr. Chairman, the thing is, this program, as I said before, was signed last fall and it has only been under way a few months. The federal people are paying for it under their subsidy program. We have a good committee. In fact, Mr. Schousboe and I represent the province on that committee, and we have two very responsible people in Ottawa who work with us. It is a provincial-federal committee, as far as the administration of the policy is concerned, and it is our job to sit down as many times a year as we see fit and discuss the very question you are asking, and I am reluctant to say here what I think should happen. I am not certain what should be done to improve it, but I think there will have to be amendments made as we go along. I am not saying that critically of the program: it is too soon.

The Chairman: We would like to introduce a few in the Senate, if you would give us some ideas. We have already passed one Bill amending the Farm Improvement Loans Act. I think if the Commons agree, it will be a considerable help. However, other questions?

Senator Norrie: Do those pamphlets go throughout Maine and communicate with Washington at all? Are those available in French?

Mr. Gilbert: The program that Dr. Weaver and I have referred to is aimed at the potato producers in the northwest of our province; and, as far as I am concerned, I don't know whether there is a duplicate program going over the French-speaking network or not. These originate in Presquile, Maine.

Dr. Weaver: I think this is just in English.

Senator Norrie: We are involved here in a depressed area. This is the major problem, isn't it? This is what we are so interested in. It seems to me we are just passing right over the top of it.

Mr. Gilbert: Senator, may I react to this? A lot of the problems that we have in Kent County are the same type of problems that we have in many areas of the province and, indeed, many areas of this region, where we have the same type of economy. So what I am saying about the problems and the program applies to all the province. We have good farmers in Kent County too, good operators.

Senator McGrand: Isn't it fair to say that this thing prevails in other counties just the same as it does in Kent?

Mr. Gilbert: I couldn't agree more.

Senator McElman: How much of the information going out of the department would be in the French language?

Mr. Gilbert: I had an inquiry the other day from a French-speaking person for information on agriculture and I did this very thing, Senator McElman. I suppose there must be 30 or 40 publications that we have in the French language. I am guessing, but we have got a fairly good library of French-speaking literature. Some of them are printed in Ottawa, which apply to our province, they are not all strictly provincial publications.

Senator McElman: Does all information going out to the farmers of a general nature go out in both languages?

Mr. Gilbert: I would not say all information but we do the best we can to get it translated as quickly as we can.

Senator McElman: What about your newsletter?

Mr. Gilbert: Yes, both languages, that is correct.

Senator McElman: This morning there was discussion about communication and it came to my mind that quite recently the minister responsible for grain, Mr. Otto Lang, not only made public statements, but the information went out in formalized print to the growers of the west that they should this year increase their acreage. We all recall it was only a few years ago we were asking them to take a decrease in production. I think, in effect, he was asking that each major farmer put another field in production this year, and this was to meet the rather extensive expansion in marketability that Canada is enjoying or experiencing.

At the same time, this morning there was some talk about subsidized grain for livestock feed coming from the west to New Brunswick, to the Atlantic area, to Eastern Canada. So here we have a minister, of course from that area, who takes the time and makes the effort to tell them to raise feed, raise grains, increase their production. Who tells the Maritimer in such a situation where the livestock feeds are going up, who tells him here to start this year growing more feeds, what he should be growing, and how is communication with him carried out?

Mr. Gilbert: We have been carrying on—and I can say this on behalf of both departments—a program of helping farmers, and we have one of the bigger grain producers in our province, who will be before you later on, here in the auditorium. It has been a never-ending promotion program, and may I point out that in certain areas of the province we are making a fair stab at growing grain in a natural area, but there are certain other areas in the Maritimes where it is a pretty hopeless proposition because of our late springs and our early falls, and we are experiencing one of the latest springs in history right this year. We are the people, along with the federal people, who are working on this, continually trying to come up with new varieties, new techniques and new management practices to increase our grain, and it is a pretty uphill job, for the reasons mentioned this morning.

If the grain price in Western Canada is such that they can do it cheaper from Western Canada, that is where it will come from, but the grain situation has turned around now to the place where it is probably the most serious problem facing the farmers in the Maritime provinces and Eastern Canada. The most serious problem facing Maritime farmers is the price of grain; I want to emphasize that.

Senator Benidickson: With or without freight-rate subsidies?

Mr. Gilbert: Well, we have had freight rate subsidies since 1941 and with subsidy, it is still the most important problem there is facing agriculture, the price of grain.

Senator McElman: If I could finish on this. The forecasting we are hearing at the federal level, on the advice that is going to the Western growers, is for the next several years at least. The situation is going to continue as it is now and, of course, we all hope for the western growers that their situation continues buoyant, but that simply means that the problem here of feed grain is going to become even more aggravated if it maintains for perhaps five years.

Now, do you, in your department, in your communications, have a forecasting system of any kind of advice for growers, and do your ag. reps. go into areas like Kent and say "Here, this is the developing situation in livestock feeding, and here is what the advice of the department is. We will want to help you get on with it, sort of thing, so you can become more self-sufficient"?

Mr. Gilbert: Senator McElman, at every meeting that I have been to in the last several months, the feed-grain situation never ceases to come up. It is always up for discussion with farm groups whether they are Kent or any other county. Farmers are well aware of the situation that you are talking about; but, as I said before, there are some constraints here in many areas of our province regarding the grain situation.

Senator McElman: I understand that, but are there not also some areas where production could be up very appreciably in certain of the feed areas?

Mr. Gilbert: We think there are some areas where grain production can be increased, particularly if the price of grain remains, as you indicated it is going to, for four of five years, which we hope it does.

The Chairman: There has been a lady trying to get the microphone.

[Translation]

Madeleine Leblanc: Madeleine Leblanc, C.B.C. I would like to ask my question in French and it is intended for the Deputy-Minister.

I work for the C.B.C. and for the last few months we have tried to get interviews in French on various programmes of the Department of Agriculture, but we were given no opportunity to speak to a French-speaking representative of the Department of Agriculture; therefore, I wonder how you can state that the information services are fully staffed with regard to Francophones?

[Text]

Mr. Gilbert: May I ask the lady, Mr. Chairman, what area of the province does she work in—Moncton?

[Translation]

Madeleine Leblanc: Yes, Sir.

[Text]

Mr. Gilbert: Well, in this case, we have some persons in our Moncton office who are very qualified and if I knew about your problem I think we could do something about it.

[Translation]

Madeleine Leblanc: We contacted the Minister and he referred us to an organizer of the Conservative Party, and apparently he was supposed to give us an interview.

And then, on arrival in Fredericton, he told us: "What do you want me to tell you about agriculture?" This is what happened in one instance and does not include the many times nobody would see us.

[Text]

Mr. Gilbert: Well, this is news to me and, as I said before, I usually try to cooperate with the news media. We certainly will be very happy to cooperate with you in any way we can. This has been my policy over the many years I have been with the department. I didn't know that this situation existed.

[Translation]

Madeleine Leblanc: Does anybody speak French in the Department?

Mr. Reginald Gilbert: I beg your pardon?

Madeleine Leblanc: Does anybody speak French in the Department?

Mr. Reginald Gilbert: Yes.

[Text]

Mr. Gilbert: Yes. We have a good many people who speak French in our department in Fredericton.

[Translation]

Madeleine Leblanc: Why then is there nobody who can be a spokesman for the Department?

Mr. Reginald Gilbert: I beg your pardon?

Madeleine Leblanc: Why can they not be spokesmen for the Department?

[Text]

Mr. Gilbert: Well, they would be glad to speak on behalf of the department. If I knew it, I think I could tee up or lay on an interview with you in any reasonable length of time. I was not aware of this situation.

The Chairman: I wonder if I might interfere for a second. I wonder if Madam LeBlanc and Mr. Gilbert might get together after these sessions and see if you can come to some amicable arrangement or some satisfactory arrangement for an interview. If there is any difficulty, although it is not our jurisdiction and it isn't our responsibility, you might let us know tomorrow. We can work it out, I am sure, with his cooperation.

[Translation]

Madeleine LeBlanc: I simply wanted to point out that French services do not seem to be adequate.

The Chairman: Right.

Mr. Gilbert: Thank you.

The Chairman: We are running at least a half an hour behind schedule.

Senator McGrand: I have one question I would like to ask Mr. Gilbert, and one I would like to ask Mr. Bastin.

The Chairman: We have two very short and insistent questions coming up.

Senator McGrand: The federal government spent something like \$21 million on marshland reclamation in Westmorland and in Nova Scotia. Now, that was to bring back cattle on the Tantramar Marsh. Has the increase of cattle on the Tantramar Marsh in New Brunswick increased very much over the last few years?

Mr. Gilbert: What is happening there, again, is that the little fellow is folding up, his land is being taken over by the bigger operators; in other words, the biggest beef-cattle fellow in the Maritimes is located in the upper Sackville area, he and his two sons, and he is farming, I suppose, what ten or a dozen farmers farmed 25 years ago. Good land in the Tantramar Marsh is pretty costly, it is pretty hard to come by, and may I say this, this would be my guess, that the Tantramar land, as fast as we can get it drained or as fast as they can get it drained with our assistance, the good land, I think, will be utilized because beef is scarce and it is likely to continue to be scarce.

Now, when you talk about that \$21 million, this is something I want to comment on. That money was spent not only for the farming industry: It was also spent to protect railroads for the Town of Sackville and many other areas.

Senator McGrand: For marshland reclamation.

Mr. Gilbert: That is right, so it is not fair to charge the whole \$21 million against the agricultural industry.

Senator McGrand: But I was just wondering if the amount of capital had increased over the years, because there was a time when the Tantramar Marshes were alive with cattle. If there has been an increase in cattle in the Tantramar Marsh . . .

Mr. Gilbert: Let me answer you this way: All the marshes that have been drained with internal ditches have been utilized and this is hard to come by. In other words, that land is being utilized as fast as it is drained.

Senator McGrand: That answers thit question. Now I have a question of Mr. Bastin on woodlots. I am of the opinion that the future of certain areas in the remote areas of New Brunswick are going to disappear if we do not do something about our woodlots. Now, you mentioned woodlots in Kent County. I believe you said there were 3,900 woodlot owners.

Mr. Bastin: Yes.

Senator McGrand: About 295,000 acres, the average of some of them was 74 acres and some of them are down to 27 acres.

Mr. Bastin: Yes.

Senator McGrand: That would be unimproved woodlots, wouldn't it?

Mr. Bastin: Yes.

Senator McGrand: None of them are improved woodlots?

Mr. Bastin: Well, first we will have to define what constitutes an improved woodlot.

Senator McGrand: As it stands today, an unimproved woodlot probably yields a quarter to half a cord of wood, but an improved woodlot, you and I know what an improved lot is.

Mr. Bastin: Well, I would say, Senator, that there are very few relatively improved woodlots in New Brunswick.

Senator McGrand: But what sort of policy have you got or can you develop in the province that is going to improve the woodlots for the future? As far as I am concerned, I think the department should buy the trees and pay the farmer to set them out. It will give him money, he will earn money and at the same time you are building up a resource for the future, right?

Mr. Bastin: I agree with you and reference is made in the submission of the department to the project in the province of Quebec, groupement forestier. They have a situation in that particular area in the province of Quebec which is quite similar to that in Kent County. Apparently their woodlots have been cut over hard and, of course, in Kent County we have the damage caused by the spruce budworms, so that the growing stock on the woodlots in Kent County is young and, of course, it isn't too difficult to appreciate the fact that if a tree six inches in diameter puts on half an inch of wood, you are not getting as much as if that tree were 12 inches in diameter and put on half an inch.

Senator McGrand: Yes.

Mr. Bastin: So, in the province of Quebec they do have this cooperative venture project which I will have to emphasize, must be subsidized with government money. It cannot stand on its own feet. However, I think that this is good. As was pointed out in the brief, this will provide work for these people who live in the rural areas and it will mean that they will be able to pass on a better heritage to those coming along afterwards.

Senator McGrand: That is right.

The Chairman: We will miss our dinner if we don't move along.

Senator McElman: Yes, but I would like to ask this question, if I may, through you to Mr. Bastin. On the small farm in New Brunswick, I have always been taught and told that if a farmer has 50 acres of cultivated land and 100 acres of good woodlot which he manages as a wood guardian, that he has got a very economic unit and can make a good living, depending, of course, upon the type of land. Yet, we have seen—not just in Kent County, but in other parts of New Brunswick, we have seen where, by reason of financial stress the woodlot owner goes in and he slaughters his woodlot for a quick-cash crop. We now have the example being given by the major holders of woodland in New Brunswick going in and clear-cutting, which is something that should never be applied to a woodlot of a farm, but yet the horrible example is there and the farmer today in many cases has not the equipment to do a proper cutting job and he stumpages and in come the tree farmers which we are both very familiar with, and again a slaughter of the woodlot. So that it is a once-in-a-lifetime proposition of taking the crop.

I know what the department it is doing through provision of trees and so on, and seedlings for starting up from a dead go on what had been cultivated land, but what is the department doing to encourage farmers to develop the

woodlot as another part of their farming operation, simply the growing of trees and getting an annual or every two or three years growth implement as a crash crop? What is being done to offset the horrible example that is being given in some of these slashing operations?

Mr. Bastin: The chairman has reminded the group that we are past your schedule and I am sure, if I got started on this matter of whether or not clear-cutting is good, we would be here until tomorrow night.

I must take exception to the honourable senator with regard to one remark he has made. I think this was an overall statement that clear-cutting is bad and it is terrible for a woodlot. Well, that is not necessarily so, because it is possible to clear cut a portion of that woodlot. I mean, because you have 100 acres of woodlot doesn't mean that you have to clear-cut it all, but quite conceivably, there would be a portion of that which should be clear-cut: It is over-mature, it is decadent, it is falling down, so the thing to do is cut it out of there and get another crop established. This doesn't mean that I am advocating the clear-cutting of the whole 100 acres, but this would be a portion of that.

Senator McElman: You are speaking of budworm and an overall clear-cut?

Mr. Bastin: Yes.

Senator McElman: No disagreement.

Mr. Bastin: With regard to your specific question as to what the department is doing to encourage a woodlot owner to operate his woodlot on a continuing basis, this is done principally through the efforts of the forest extension service and the government does make available to the woodlot owners, planting stock at less than cost, and does provide them with technical services, professional services, telling these people how they should best manage their woodlots. It assists them in the laying out of their truck roads and sets up management plans for each individual woodlot owner who applies for such service.

I think, actually, the department has a good program in this regard. I guess I would have to say that we do not have an adequate staff to do all the job that should be done, but, nonetheless, I think their program is very good. Does that answer the question?

Senator McElman: Is there any program to assist him in extending the size of his woodlot?

Mr. Bastin: Yes, there is. There is a very attractive program through the department, whereby the owner of a woodlot, if he wishes to expand, may either borrow money from the department for the purchase of additional land, or he may ask the department to buy this land and lease it to him as a very attractive proposition.

Senator McElman: Just one further question, Mr. Chairman. It goes back to feed for stock. In the west, as I am sure you are aware, there have been processes developed for palletizing alfalfa, which has become, apparently, a very attractive feed for beef cattle, and the proposition has been made to me by Westerners in recent months that this would be an ideal program to be started in the Maritimes area, that we have many thousands of acres which are not in use currently, but still available for use, which would be ideal for the growing of alfalfa and this palletizing would replace a lot of the feed we now bring in from the west and its production costs are in relative terms

very low as related to the western feeds that we are bringing in. Is this something that is now under study in New Brunswick or where do you stand on it?

Mr. Gilbert: Do you want to comment on the potential of alfalfa here in response to the Senator's question?

Mr. LeLacheur: I think Dr. MacLean can do it better than I can.

Dr. MacLean: Ladies and gentlemen, alfalfa is very much a fringe crop in New Brunswick or the Atlantic region. It is a crop that you can't grow under highly acid conditions and if you are going to grow it, the first prerequisite is to correct the soil acidity, and drainage is another important factor. There are certain areas, well-drained ones, ones where the acidity has been eliminated where it can be grown quite successfully, but it would be in association with other crops—corn for silage, and with some of the other native species like clovers and timothy that grow very well in the best farmland.

Senator McElman: Would there be sufficient available land to make an economic palletizing operation here in this province?

Dr. MacLean: I would not think so.

Mr. Gilbert: Senator, may I add a comment to Dr. MacLean's comment, that you would have to look at the economics of your land—sweetening your land, liming your land and draining your land, as he has indicated. Then the other variable, unpredictable is that alfalfa takes an awful beating when we don't get sufficient snow coverage in this part of the country, a terrific beating. So the economics of this thing would have to be gone into.

The Chairman: Well, I think we have had a most useful discussion. I thank Mr. Gilbert and his associates for their very excellent and informative contribution.

Our next item has to do with ARDA, and I believe they will be represented by Mr. Louis-Philippe Albert and Mr. Elliott Keizer. Would you like us to move up into the audience, or would you like us to stay here?

Mr. Louis-Philippe Albert, Resource Planning Coordinator, Development Policy Secretariat, Office of the Premier Fredericton: It would be preferable, Mr. Chairman, if you would move into the seats, because we intend to show a film on the screen.

Mr. Chairman, honourable senators, ladies and gentlemen, this is very much of a joint presentation with Mr. Keizer, my associate in research at the time, and we will alternately present specific sections of the presentation, mostly on the basis of our respective strength on the matter under discussion.

It is an honor and a privilege to present a paper to the Standing Senate Committee on Agriculture. Our presentation stems from research efforts conducted in 1971 while both of us were employed by the New Brunswick Department of Agriculture and Rural Development. It consists mainly of a series of visuals illustrating the research methods used and some selected findings. Please feel free to interrupt for clarification at any time during the presentation and, with the chairman's permission, we could entertain a more general discussion after the formal presentation, which should not extend more than 30 minutes.

The brief period at our disposal will not allow us to acquaint you in great detail with the findings of the entire

study. We nevertheless hope that it will meet some of your expectations.

This research effort was initiated by defining the problem and its relationship to other problems. It was followed by a selection of priority information needs for which reliable answers were sought.

The results, therefore, provide an information base on several key aspects of related problems in the areas of farm and land management. This information base will serve to design programs, document positions, evaluate current program effectiveness and serve as baseline data for new program evaluation.

Our contribution directly follows the reference made this morning and further on this afternoon by the officials of the Department of Agriculture on the necessity of major efforts to improve the managerial ability of farm operations.

We will also be able to give a spacial dimension to several important parameters or considerations of the farm sector, and the whole industry, by the use of visuals illustrating the relative difference among various parts of the province.

In order to determine the present state of the training and managerial ability of the farm community which was the essence and purpose of the whole study, it included contacts with four farm operators as well as the employees and all those related to the farm enterprise at the primary level, and this we did on a province-wide basis and we also looked at the adequacy of the ongoing training programs for farmers.

In order to do this, we established a model based on the basic components of the agricultural sector. You can see on the slide here that we started from institutional resources, which are government inputs in several aspects of the industry and, of course, the focus was on the human resources, the management and the labour employed at the farms, the natural resources, which we have heard about—the soils, climate and so on, and the capital resources, which is also an important element.

We looked at the population of New Brunswick and tried to come up with a forecast, a theoretical one at best, of the industrial manpower in the east by 1976.

Then, under that, we focused on the present agricultural manpower in order to evaluate, through the use of success criteria, and we will elaborate on this later, to classify our random sample subject on the basis of successful farmers who remain at farming and the successful ones who will also remain, and the existing farmers, those who are on the way out are, for all intents and purposes, out of the farming industry.

For the latter, of course, we will be looking to non-agricultural activity or some other form of activities and employment and training.

So right in the diamond in the centre is the trainee-selection criteria and we came up with a set of those and in order to determine the effective demand for agricultural training in the province, we took account of the forecast of the need of manpower as well as how many of the present farmers and potential ones that the selection criteria that we established on the basis of what you need to be a farmer in—and of course, this all adds up, as in most stories, with some industrial agricultural training and some successful farm units.

Another side study that was made was an evaluation of courses that took place in various parts of the province between 1967 and 1970, a series of short courses under the manpower Department. (See Appendix "C", Chart 1)

The identification of the manpower characteristics which were considered as causes to success, causal variables, as we call them, and what causes success among farmers, provided a range and a direction for the content and the extent of agricultural training required for a viable and progressive agricultural sector.

Mr. Elliott R. Keizer, Resource Economist, Planning and Development Branch, New Brunswick Department of Agriculture and Rural Development, Fredericton: Mr. Chairman, two surveys served as the base for our study. First there was a questionnaire mailed to about 275 persons who took part in short courses which we attempt to give the result of, and we evaluated these courses and about 60 per cent of these questionnaires were returned.

There was also a province-wide survey of all farmers with ten acres or more of cleared land in 1971 in the Province of New Brunswick. We estimated there were about 4850 farmers of which we sampled 420 or 8.7 per cent of the population, one in twelve.

In order to ensure a representative geographical spread of the interviews, the sample was stratified by parish on the basis of the 1966 distribution of census farmers. Other factors which influenced the distribution of the sample were—we thought you would be interested in looking at these. They already have been discussed today in some instances.

The first is the land capability for agriculture. Coloured in here we have the classes 2, 3 and 4 agricultural land in the province of New Brunswick. We are talking about the expansion of agriculture, et cetera, and this will determine where a lot of our opportunities exist. (see Appendix "D", Chart II)

We were also influenced by land ownership patterns. The red in here, which covers a fair amount of the good agriculture blocking in the province, is large, freehold land owned by large interests and if we overlaid that slide with the blocking slide, we could see that a lot of our land is not available at the present time, at least to the small farmer, to the small freeholder.

Other factors of interest are the cleared lands which are surprisingly small, the amount of cleared land in relation to the amount of high capability land that we do have in the Province of New Brunswick, and that goes for Kent County, as well as the rest of the province.

The resulting distribution of the farmers—and although it is a distribution of our sample, each dot here is one person whom we actually interviewed—it will give you a good idea of the distribution of farmers within the province of New Brunswick, showing Kent County, I believe, 35 of 420 of our farmers were there.

If we look at the blocking again, this will help to point out that not every farmer is in these so-called high capability blocks of land. For instance, down near Saint John, I expect that the nearby market here provides an opportunity for some farmers who are not in the large blocks of good land, although there may be smaller blocks which can't show up on a map of this size.

We looked at four areas, we broke the data into four regions for comparison. District 1 would be Madawaska,

Victoria, Carleton, and this would be the second district, and the third district, Albert, Westmorland and Kent, which was referred to quite frequently, and then Northumberland, Gloucester and Restigouche for the final area.

The assessment rolls of the Municipal Affairs Department served as a source of names and, to be in this survey a farmer had to have ten acres or more of cleared land which would be a little larger than the census where he has to have one acre of land and he had to have at least \$50 of income from the sale of his products, similar to the census.

Mr. Albert: The focus of the study was on the training of the decision-making unit on the farm rather than simply concerning the farm operator. For the purpose of the survey a decision-making unit was defined as: One or more persons involved in making decisions related to the maintenance and operation of the farm firm. For example, a decision-making unit could be made up of the owner-operator, his spouse and one employee.

Thirty-one per cent of all decision-makers were reported by the interviewee as needing some training. The operators said that they would like about 58 per cent of the decision-makers under 35 years old and 40 per cent of all those under 55, to receive some form of training. A small proportion (14 per cent) of those in the 55 and over group were reported as in need of training.

Dairy farming, beef raising, accounting and bookkeeping, general agriculture, potato farming, Christmas tree cultivation and farm mechanics were the types of training most in demand.

Operators selling over \$10,000 worth of agricultural products were queried about a possible farmer-apprenticeship program. Of 43 farmers responding 28 (65 per cent) gave positive comments toward such a program, 11 per cent were noncommittal, and 23 per cent were negative.

The following slides illustrate some of the findings. The first is on the geographical spread of property, and these refer to farmers who have all their properties within one mile of headquarters, and the yellow refers to those who have one or two properties beyond one mile of headquarters, and the green is three or more beyond one mile.

This bit of information was to show the scarcity of land in some areas or try to show it and also the kind of expenses input in terms of operating expenses that farmers had to face in most areas of the province.

We don't seem to denote much of a trend or concentration anywhere except that more than 50 per cent of the farmers have all their properties within one mile of headquarters.

The average sizes of properties under observation were in the vicinity of 386 acres.

Now, we had some very big farms in the sample and, of course, some very small ones.

Land use by major product-type. That is on the basis of the sale of products, and we apologize for the poor quality of this one, but I think the main message to get out of this slide is that the great majority of farmers derive more than half of their income from the livestock, which is the reddish dots. By the way, each dot represents a subject in our study, and you can see the difference in the potato area where the blue dots indicate that most of the income

is from crops, namely potatoes, and the few yellow dots refer to major source of income being the woodlot. In fact, two-thirds of the farms report that more than half their income is from livestock. The next slide shows major land use by area. This is a matter of space. If you could remember, in the previous slide, where we tried to relate this, we find that the major users on farms is, of course, the forest, so the green indicates where the forest is a predominant land user. The rust indicates potatoes and the blue indicates field crops and forage and the pink, horticultural crops and the yellow, idle and waste for agricultural purposes. It might be well for wild-fowl, ducks and deer, but for agricultural purposes, it is called waste.

Some of the dots are split, where you would find more than one predominant land user.

This is one that may be of major interest—major sources of income. Green indicates on the farm and I guess you can focus, or, as you wish, zero in on any part of the province.

Kent is, to our surprise, a major source of income on most farms, or most interviewed people from the farm. We had expected that there would be a lot more red dots immediately around growth centres, but this is not the case. We find just as many around Harcourt, Woodstock and Sussex, as you find around Moncton. Over 70 per cent of the farm operators derive more than 50 per cent of their net income from the farm operation.

Gross crop and livestock income by economic class—you remember in Kent, most of the farmers derive the majority—or agriculture was the major source of their income and the yellow dots indicate that farm income was between zero, or very little, should be \$50 and \$3750—that is gross.

The light green is between \$3750 and \$10,000 and the dark green is over \$10,000.

Note the concentration of the higher incomes in the potato and dairy areas. The dairy would refer to the Moncton and Sussex areas.

Reported gross woodlot income by economic class—those who reported some woodlot income, the yellow indicates \$1 to \$1000. That is again gross income. There is a relatively small number of farms supporting woodlot income in contrast with the fact that 89.5 or roughly 90 per cent of the farms have a woodlot of an average of 1974 acres on the sample farms. The very low number in the dark green category, that is above \$3570, shows the need to review our forest extension program possibly. There are only 12 in the province that show a revenue of over \$3750.

Now, there are indications that in 1971, which was not an extraordinary year one way or another, very little or very high, it could possibly be different this year, reported gross family income from all sources—now that includes every source, subsidies, family allowances, gifts from the daughter in Toronto, all sources.

The rust dots refer to very low income, zero to \$4000; light green \$4000 to \$7500; yellow, \$7500 to \$10,000 and over \$10,000 is dark green. Fifty per cent of the farms reported gross family income in excess of \$10,000. The average gross farm and woodlot income was a little higher than that, which illustrates that our sample includes more commercial farms than the census does.

If we look at farm income as a percentage of the gross or total family income, the red indicates less than 25 per cent and the dark green is over 75 per cent, so we find that more than half of the farm families rely on the farm for 75 per cent of their total gross income.

An indicator of some of the intangibles, and trying to get to the aspirations or intentions of the farmer, if you look at what we call ten-year stability, we asked the subjects a series of questions, of which there were a few pointed at current market prices would you sell your current land. We also had a few questions, at current market prices would you buy or did you buy?

So, combined with several questions we ended up with an indicator here where we find that the dark green dots indicate that these farms are indeed buyable; violet or mauve, these may sell. There is some indication that they may sell.

The red, not likely to sell and, of course, the yellow, uncertain, but the majority on this map show uncertain. By "uncertain" we mean that we did not have enough information to say one way or the other.

You will note the large number of units in the green and mauve, which will become buyable, or may sell, which are or will become available in some parts of the province in district 3. I believe that is the Moncton-Kent area and the northeast.

Another intangible, a combination of several questions again, we came up with an indicator of successor. Is there a successor apparent, in the light green, and again we apologize for the quality of this slide: You have to work hard to find the light green, very few of them anyway.

The blue referred to possible successor; yellow, not for some time and pink, not apparent.

Senator McGrand: Do you mean those yellow ones indicate someone who is not going to take possession?

Mr. Albert: For some time. It looks like it may be another 20 or so years, the gentleman himself is either below 55 or is relatively young, or nobody at all.

Mr. Keizer: To shed more light on the areas where training dollars would best be invested, we attempted to identify the factors which contribute to success in farming. The initial step in this analytical approach was to develop a measurable definition of success.

This chart will show the distribution of the farmers in our sample, regarding their success or not success at farming and our own evaluations, the red being the successful farmers, the green not successful. We will get into just what a successful farmer was.

On the basis of a *priori* judgment, three success indicative variables were selected among 33 variables hypothesized to be related to success in farming. The three success criterion variables are:

1. Income from the farm and woodlot
2. Number of full-time employees, and
3. Change in farm size during the last five years.

That is, if a farmer had a gross income from a farm woodlot higher than \$5000, he was successful; if full-time employees employed on his operation, he was successful or if he had increased the size of his operation in recent years, he was successful. These are some analytical land

measurable definitions of success, which is a very difficult one to get at.

Through a statistical procedure called factor analysis we found evidence to support our hypothesis that all three of the variables measure some aspect of success at farming.

Analysis:

Because these criterion variables were found to identify success, we used regression analysis to isolate the variables which were casual to them,

Some variables were found to be much more important than others in explaining success.

If you take C_B , "consultations with banker," the fourth down, academic education contributed to the explanation of all three variables, so they are highly related to success, while, surprisingly, the number of short courses taken (E_{sc}) did not contribute to any of the three success criterion variables.

Only coefficients, which are significant in explaining success, explaining income or size of employee are listed, so if we look at income in the first column, consultation with banker was the most important variable in explaining the income of the farmer.

The second variable is academic education, the second most important. The third was the number of properties that he had in terms of a mile and so on. The dashes are variables that did not explain significantly his income.

As a group, contacts with resource persons, C_A , C_B , and C_{DA} contributed substantially to success. The number of properties owned (P_w) and (P_b) as well as the expected future major source of income (Y_F) also showed major importance. The weaker (yet significant) explanatory variables were: years of agricultural training (E_{AGR}) aspiration to agricultural training (ASP), entrepreneur scale score (ENT)² and size of decision-making unit (DM).

The entrepreneur scale score is a score from 0 to 4 assigned to each farm operator on the basis of his responses to four multiple choice attitudinal questions. These questions were essentially the same as those used by New Brunswick NewStart Inc.

It is interesting to note that the number of short courses attended has not as yet contributed significantly to success for the 420 operators interviewed. This does not mean that short courses are useless, but it does cast doubt on the types of courses that have been presented and the heavy reliance in the past on short courses for farm training in New Brunswick. (see appendix "E", table 1)

Senator McGrand: Does that include manpower training?

Mr. Keizer: Yes, perhaps it is more than the method of the approach but perhaps some changes in courses might be called for and full agricultural training programs are necessary if we are to continue training farmers through this method.

The evaluation survey provided further information related to the agricultural short courses program. Selected findings indicate that:

—Preferences were given to daytime training; and 53 per cent reported that they would have taken the courses *without* Canada Manpower allowances, 63 per cent would have taken the courses *with half* allowances.

—Most of the complaints about courses dealt with poor communications abilities and teaching method difficulties of the instructors.

—48 per cent heard about the course from the District Agriculturalists (and other extension workers)

—24 per cent from the Canada Manpower Center

—17 per cent from friends

—4 per cent from mass media

Courses requested were greatly influenced by the types of courses offered in the past.

—We designed a model by which motivation for taking the course could be a "Farming" or "Welfare" motive dichotomy. A score was assigned to each participant and a breaking point was determined for each course. The results ranged from 71 per cent "Farming" motive for one horticultural course and a farm management course to 33 per cent "Farming" motive for a silviculture course, with a 55 per cent for all courses.

—55 per cent had a gross farm income of less than \$2,500

—45 per cent had an academic education level of 6 years or less.

—36 per cent of the participants were 55 years and over (average 45).

This is the age distribution of our farmers in New Brunswick. The red is under 45 years, the green 45 to 54 years, and the yellow 55 years and over.

In the province, 30 per cent of the farmers were under 45 and Kent was very close to that number, although that district 3, Kent, Westmorland and Albert, had only 19 per cent of the farmers under 45 years of age in that area.

For employees on farms, 80 per cent of the employees on farms in the province of New Brunswick were under 45. The decision-making unit age also, which compares the wife and the son or employees who ever happened to be on the farm, is generally less on the average than the farmer himself. That is the farmer operator that is under 45 years of age.

This particular slide shows nothing about the operation. It is only the age distribution.

We attempted to choose whether each farmer would stay in farming or whether he would be leaving in the next five years. We based this, whether he would exit or not on some variables, his aspirations and land use.

For the exiting, 36 per cent of the farmers we felt would be exiting within the next few years. This says nothing about new families coming in, but of the part-time workers, it simply shows whether farmers had part-time workers or whether they had no outside workers at all.

In this particular slide we were getting at what type of a farm the operator felt would be ideal, that he would really like to have, what would he aspire to? The red dots are farmers who aspired to a beef operation—this is what they felt would be ideal for their area. I think we can apply this to development programs in giving us some idea of, if we want to expand beef in a particular area, how much of a motivation problem will we have.

In Kent, for beef, 43 per cent of those dots in the County of Kent are red compared to 23 per cent for the province, so beef is looked on as a much more viable operation there, than in the province.

On the other hand, dairy is lower in Kent than in the province, the green dots, so just reading down the rest—other livestock and livestock combinations is a little higher in Kent than in the rest of the province, potatoes, which is understandably low in that part of the province, and as low, I guess it is, as anything else, so there are high aspirations for beef within Kent County.

Here, looking again at the expansion, we looked at the little guy who will sell. Eighty-four per cent of the farmers say they don't want to sell their land now at present prices. They are interested in keeping it. In Kent that was a little higher, so it is roughly the same, about 90 per cent of the farmers, which means that less than 10 per cent want to sell some of the land that they have and the final overhead, change in farm size in the last five years, looking again at growth and viability, here we have got more expansion, surprisingly in Kent, than in the rest of the province, a little more, I should say, about 20 per cent of the farmers in Kent expanded within the last five years, compared to 15 per cent for the province, and just to go through it for the province, we had 47 per cent of the operators who contracted their farm for five years prior to the survey, 38 per cent say they stayed about the same and the remaining 15 per cent expanded.

Mr. Albert: The purpose of all these bits of information about the farm enterprise and the farmer was really to get to what we call the entry behaviour, before you enter training, what are you made of, what are your concerns, so that the trainers and the programmers would know where to start.

Some selected conclusions:

Our work has lead us to the following conclusions which may be of interest to those who have a particular function in the design of agricultural training programs and to others like yourselves who are concerned with the overall betterment of rural communities.

We are suggesting for training purposes and for most programs of a learning type extension, we are suggesting two major clientele groups:

I. Two Major Clientele Groups:

(A) The commercial agriculture oriented group is comprised of the management team of commercial farm units. The training needs of this group could best be met at an advanced level.

(B) The non-commercial agriculture oriented group refers to the management team of non-commercial farms. They may wish to improve their knowledge and income on a temporary or up-to-retirement basis and could best be served by more general courses with less emphasis on depth than for the commercial group.

II. Our second conclusion relates to trainee selection methods:

(A) For the commercial agriculture group... and this was our focus on this way, the criteria which are projected may be useful in selecting candidates for whom the benefits of a course will be greater than the costs to society and the farm firm:

1. The candidate is a member of a farm management team or a full-time employee on a farm, so he is part of a decision-making team.

2. The firm that employs the candidate has or will have a minimum size in physical and economic terms. Again the ideal is in the learning group. You just can't mix the person who has ten hens and the one who has 100,000 broilers. They are not talking the same language.

3. The candidate will not be exiting from farming in the near future. In this we had some indicators that could help in determining this.

4. The candidate has expressed a desire for advanced agricultural training, or has received formal agricultural training, and aspires to a high level of achievement in this area.

Now, this criteria may seem to be reinforcing the strong, but at least the motivation to learn must be there.

5. The candidate's academic education is substantially higher than some of the average we have seen, but still allowing the desired number of participants, and we suggest here a grade IX or equivalent.

6. The candidate has consulted at least two of the following in the past year: an accountant, a banker and the district agriculturalist, and this is a contact with the resource persons.

7. The candidate scores higher than average on an entrepreneurship scale. Again it is trying to determine his ability in this field, and

8. The farm firm under the candidate's management has acquired one or more properties in addition to the home firm.

Some of the above selection criteria may not be applicable in all cases but could serve as guidelines in setting the entrance cut-off points for particular courses or regions. We feel that any commercial course designed so that a farmer be required to pass No. 5, academic education and No. 3, not exiting from farming, as well as any other three of the eight selection criteria will contain a good choice of students for the course.

(B) One set of criteria designed to select farmers for the non-commercial agricultural courses. Our findings are very limited in this regard except for the failure to pass the criteria for the commercial group.

III. Participation of Farmers in Training:

Since most New Brunswick farmers have never received any formal agricultural training—and we are talking in the range of 82 per cent of the New Brunswick farmers who have never received any formal agriculture training—and do not recognize the need for it, which is something like more than 50 per cent, a special effort is required at the motivation level. This reinforces what Senator Michaud was saying, there is a feeling of lost hope in many cases, or just plain no motivation to better the situation. The involvement of the operator in a training program is influenced by others within and without the decision-making unit. In fact the farm wife must be informed about the training program so that she will suggest that some of the other decision-makers in the farm take part. This suggests that the involvement of farm organizations and other influences in the planning and implementation of agricultural manpower training programs, would increase the participation of farm decision-makers and employees in such training.

IV. Course Content:

For the commercial group there is a need for farm and financial management courses as well as general and specific management principles, marketing concepts, machinery and mechanics courses and specific subject matter courses.

For the non-commercial clientele, courses in general agriculture, elementary bookkeeping and topics like property transfer methods, would meet some of the most pressing needs.

V. Experience Training and Follow-Up:

A one-to-two year apprenticeship program for all commercial agriculture course participants with limited or no experience in farm management is suggested.

Consideration should also be given to the granting of a certificate of competence to those participants who have successfully completed courses.

Concluding Remarks:

We are pleased to report that the Agricultural Manpower Committee has appointed a sub-committee to review our conclusions and recommendations and have endorsed most of them.

The conclusions and recommendations are starting to be introduced into the Agricultural Manpower Training Program in relation to the similar studies which have been done elsewhere, for example, the DACUM approach. The data is being used by the Department and other concerns in developing an overall agricultural development strategy for the Province or at the regional level.

It has been a pleasure to have the opportunity to make our contribution to the Senate Committee's Hearings and we wish you success in reaching the objectives of your deliberations.

With the Chairman's permission we will gladly attempt to react to any question or comments you may have concerning our presentation.

The Chairman: I invite Mr. Albert and Mr. Keizer to come up here, if they would.

I am sure that was a most informative paper, and I am certain we have learned a great deal from the information that you have provided us.

Now, I have to be excused in five or ten minutes because I hear they want me on a short television program. I think Senator Michaud is in the same position, so I have spoken to Senator Lafond and he is taking the chair. I don't see him here at the present time, but when I have to leave I am sure you can and will carry on.

We have another item, an important one, on our agenda for this afternoon, a report from the Select Committee on Agriculture and Rural Life, so we will just have to hurry along.

Are there questions now from any of the senators?

Senator Benidickson: Mr. Chairman, I was impressed, as you say, with not only the graphics, but the literary contribution that we have just received, but I noticed on the slides a couple of references. One was to a Maritime Resources Commission of Amherst, Nova Scotia. Another had reference to the Department of Regional Develop-

ment, shall I say, or have I misquoted that? Who are these organizations that were referred to in the slides? Does the federal government contribute in any way to the work that you have done and done so well?

Mr. Albert: Mr. Chairman, the slides and the references to the various departments or agencies on the slides, one of them is the Maritimes Resources Management Service, it is a new name for an old organization which was entirely funded by the Department of Regional Economic Expansion just a few years ago. It is located at Amherst. It is essentially a photography and mapping and engineering service that was available to the Atlantic region as part of the DREE program at one time. The entire study was, I must say, very much of a joint effort by a number of departments and organizations, namely, I believe the initial grant, or I should say the motivating grant at the beginning was made by the Department of Manpower and Immigration to the Department of Agriculture in the amount of \$8,000, I believe, to get this done; and then the Department of Agriculture provided the staff; and if we add all the costs around this or different agencies, including consultations with NewStart, with the local DREE staff, we could come up with a very long list.

Senator Benidickson: It has been partly provincial, partly Atlantic Provinces and partly federal, has it?

Mr. Albert: Very much so, plus farmers, without whom we couldn't have done it.

Senator Benidickson: And ARDA. Well, ARDA is a federal organization.

Senator Inman: How much did it cost?

Mr. Albert: Approximately \$80,000 at this point.

Senator Inman: I wonder how much would a person taking this course have paid?

The Chairman: What is your question? How much would it cost for a person taking the courses that are provided?

Mr. Albert: Mr. Chairman, usually it is the other way around, how much money are you making when you take a course? Most of the courses that we talked about were courses that were offered by the Department of Manpower with allowances while in training, and there is a refund of expenses, travel and/or living expenses while you are on training.

Senator Inman: What are the requirements for taking one of these courses? If I, for instance wanted to take a course on, say, home economics, what qualifications would it be necessary for me to have?

Mr. Albert: There are some criteria for admission, and I don't think you would meet them. One is to be actively farming and derive most of your income from the farm, and I must admit it doesn't cost a cent; usually you make money.

The Chairman: No tuition anyway.

Mr. Albert: No.

Senator Benidickson: Well, you indicated anyway that half of the trainees would take about half of the allowances that are provided, is that what you indicated?

Mr. Albert: Yes. Usually the people who said that they would take less or a smaller portion of the allowance,

were those who really were motivated as a learning experience.

Senator Inman: What was the allowance, then?

Mr. Albert: I think the normal Manpower and Immigration allowances—some ranged into \$90 a week. It depends on your obligations, the number of dependents. It is the regular Manpower training allowances.

Senator Norrie: How many in Kent County have taken courses?

Mr. Keizer: I don't know how many from Kent have taken courses.

Mr. Albert: Nor do I.

Mr. Keizer: For this particular survey we were talking about two surveys in one here this afternoon, and the people we were talking of who took courses were not from Kent at all. We were talking about the northwestern area of the province and we have applied the results to the province.

Senator Norrie: Would the ones from northwestern New Brunswick be applicable to Kent County as comparable situations?

Mr. Keizer: Yes, I would think so, the same language problems, not really dynamic agriculture.

Senator McElman: You mean northeast, do you not?

Mr. Albert: No, northwest, the Francophone section of the public, Madawaska. These courses have been going on for the past four years, between 1967 and 1971, and I think in terms of availability of services, it was essentially the same as in Kent, for instance. Some of the difficulties are in obtaining professors and so on, but again, it is the same regulations of the Manpower Department, the Canada Manpower Centre.

Senator Norrie: Did you feel that they took advantage of the opportunities or did they not?

Mr. Albert: I must admit, at least to my knowledge, the northwestern part of the province has taken a greater advantage of these Manpower courses in this agricultural sector, than anywhere else in the province, to my knowledge, at least until last year. They have started a bit earlier and the Canada Manpower Centre manager was very active in promoting primary-level courses.

The Chairman: Are there any other questions? If there are not, I don't wish to rush along, but we are nearly an hour behind schedule now. Anyway, I think you have done a really good job and we appreciate the wonderful information that you have given us and we thank you very much again for your presentation.

Mr. Albert: Thank you, Mr. Chairman.

The Chairman: Now I would ask the Deputy Chairman of the Committee, Senator Michaud, to take over and to introduce the next item.

Senator Hervé Michaud (*Deputy Chairman*) in the Chair.

The Deputy Chairman: I understand the next item is a presentation by Mr. Charles Gallagher, MLA, and Mr. Alan Graham, MLA. I would ask them to please come forward.

Gentlemen, we are pleased to express words of welcome to our witnesses at this time. Both Mr. Gallagher and Mr. Graham, I should say, have a few things not in common, but also many things in common, including, of course, their mutual interest in the agricultural question concerning the Province of New Brunswick.

So I will ask, without any further ado, Mr. Gallagher to make his presentation.

Mr. Charles Gallagher, MLA: Mr. Chairman and honourable senators, ladies and gentlemen, Alan and I have been members of the Select Committee on Agriculture for two years, and during the two-year period we have met several times with rural as well as farm groups from most parts of the province.

The brief that we are going to present today is the same as the one we presented to the Legislative Assembly, and we have some points at the end of our brief that no doubt will bring out some discussion, so I think first we will just go over the brief. This should not take us that long, but during the year seven meetings were held at the following locations: Chatham, Bathurst, Fredericton, Moncton, Halifax, Nova Scotia Agricultural College in Truro, and the Federal Research Station at Fredericton.

Briefs were heard regarding Agriculture and Rural Life at Chatham, Bathurst and Fredericton.

From the number of briefs heard by the committee over the past two years from different segments of the agricultural industry there appeared a common concern. This concern took two parts: First, the decline in farm and rural numbers and second, the decline in agricultural production.

The decline in farm numbers is common to all provinces of Canada and is partly compensated by the increase in size of farm units; this trend will likely continue.

The decline in farm production is more pronounced in the Maritimes than in other parts of Canada, or we should say we have a static situation in the Maritimes while the Canadian industry has expanded as the following table illustrates: I won't go into this table, I believe you have it before you, but it does point out that Canadian production nearly doubled between the above periods. Prince Edward Island is the only Maritime province that has increased significantly.

INDEX NUMBERS OF PHYSICAL VOLUME OF AGRICULTURAL PRODUCTION—D.B.S.

	N.B.	N.S.	P.E.I.	CANADA
Average of 5 year period 1935-1939	91.0	111.6	68.9	76.5
Average of 6 year period 1966-1971	97.5	106.0	116.5	146.7

Canadian production nearly doubled between the above periods. Prince Edward Island is the only Maritime Province to increase significantly.

In terms of net farm income a declining situation exists for Maritime farmers, especially New Brunswick, as

against an opposite situation for all other provinces, again D.B.S. illustrates the situation:

NET INCOME OF FARM OPERATORS FROM FARM OPERATIONS

	000's	
	Average 1956-61	Average 1966-71
New Brunswick	17,744	13,655
Nova Scotia	20,563	19,355
Prince Edward Island	10,834	9,859
Quebec	165,195	199,952
Ontario	298,997	398,683
Manitoba	98,625	137,729
Saskatchewan	247,542	417,782
Alberta	211,646	309,934
British Columbia	60,239	87,471
Canada	1,131,388	1,594,423

The above tables show that the Maritimes, especially New Brunswick, have fallen behind the rest of Canada in both agricultural production and net farm income. If this trend is to be reversed, then in which commodities are there opportunities and what corrective measures can be taken?

If we consider commodities in which we are not self-sufficient and which would include the greater part of our province, production-wise we could consider our meat, poultry, egg industry.

ESTIMATED PERCENT SELF-SUFFICIENCY IN SELECTED MEAT, POULTRY, BUTTER PRODUCTS, D.B.S.

	Beef	Pork	Poultry	Eggs	Butter
Canada	115.1	110.5	99.3	105.0	96.1
Maritimes	59.8	55.4	72.5	95.7	34.9
New Brunswick	27.8	30.8	72.5	63.3	20.1

Our deficient position in the above commodities is very evident.

There is one more observation to be made and this is in terms of population. A significant decline is indicated for the farm population between the last two census periods, and more so for the Maritimes than any other region of Canada. And again this short table is our exodus from the Maritime provinces compared to the rest of Canada.

	Rural Non-Farm		Farm	
	1971	1966	1971	1966
Maritimes	610,870	562,887	72,955	127,596
Canada	3,737,730	3,382,910	1,419,795	1,905,211

In the Maritimes farm population declined by 43 per cent and total population increased by 3.6 per cent. In Canada, farm population declined by 25 per cent and total population increased by 7.7 per cent.

Farm population declined generally for Canada with the real exodus occurring in the Maritimes.

The above tables should cause one to ask why is the agricultural industry in the Maritimes declining in population, in production, in gross and net incomes in relation to the rest of Canada? Why is it not even filling its own needs in relation to field crops, livestock and poultry products when it would mean so much to the Maritimes.

We should not assume that the problem is soil, climate or people. We should realize the situation is just as likely to have come about by man-made or artificial circumstances that have unfavourably affected the agricultural opportunities and the economics of the area in comparison to other regions of Canada.

The committee has tried to take positive approach to the livestock and poultry situation in the province and feels that—

The producers have the technical competence and information available to compete. That the Maritime market can absorb a greatly expanded production in livestock, poultry, butter and other selective agricultural products. That New Brunswick needs an expanded agricultural industry and the multiplier effect it will give. That there must be changes in the commercial situation in order to establish the necessary confidence the producer must have by knowing he can compete with other provinces.

Suggestions that should be considered:

1. Changes in the manner in which western grain is supplied and priced.

2. Extension of Feed Freight Assistance to vegetable proteins and phosphates.

3. Provision for F.F.A. on corn of any origin to the Maritimes for feeding purposes.

(Regarding the first three suggestions, the Committee is aware of the efforts being made by the Maritime Agricultural Committee and the private sector, and we urge the Provincial Government to support this worthwhile effort to bring about more competitive feed pricing in the Maritimes.)

4. Crop insurance available in New Brunswick.

(The need of crop insurance was brought to our attention several times during our hearings. We are aware the Department of Agriculture has already done considerable work toward a Crop Insurance Program. We urge their continuing efforts toward a workable crop insurance program.)

5. Expanded research on feed grain varieties for the Maritimes.

6. Expanded research on growing of high protein feeds, i.e. peas, beans.

(We appreciate the research now underway by the Federal Research Station and the Provincial Field Crops Branch. Due to the increased prices of feed grains and protein supplement we feel there is urgency in the development of higher yielding feed grain varieties and the development of high protein content crops suitable to Maritime conditions.)

7. Encouragement for young farmers to take advantage of agricultural courses and job training for apprentice farmers.

8. Student farm involvement during summer vacation period.

(Other professions must have formal training as well as apprentice work before being recognized i.e. engineers, plumbers, carpenters. Due to the large investment and individual ability required to be successful in the agricultural industry, we recommend agricultural courses and job training for apprentice farmers.

9. Orderly marketing of agricultural products.

(This is a very complicated and important topic and could cover situations from roadside vegetable marketing to exports to foreign countries. Basically we feel due to the long term planning and high investment required in the agricultural industry orderly production and orderly marketing is essential. This can best be achieved through commodity groups.

10. Small Farms Loan.

(Our Existing loans to farmers from both Provincial and Federal sources are directed to full time farmers. The "Small Farm Development Program" announced by the Federal Government in 1972 does not cover a wide range since the applicant must be principally occupied with the operation of the farm, but cannot have over \$60,000 of assets. We are not reaching the person on the small farm who must have (or prefers to have) outside employment. People entering the agricultural industry must enter, at present, on a full time basis in order to obtain low interest loans. We recommend: A loan agency directed to the part time farmers; applications from applicants to go through the District Agriculturists' Office to a District Board; District Boards made up of 7 preferably but not necessarily farmers with Agricultural Representative as Secretary; loans be handled by Farm Adjustment Board or affiliated staff including collections for delinquent accounts.

We realize we have no cure-all for economic ills of agriculture and rural life, there is no single suggestion to achieve this. However, if from our recommendations a few more people can achieve a happy and meaningful life in agriculture and in the rural areas of N.B. then as a Committee we have justified our existence.

The committee hearings today are directed mainly, perhaps, sir, to Kent County, but we feel that conditions in Kent County also occur over most of New Brunswick, perhaps most of Eastern Canada, and we felt perhaps the submission that was made to the legislature might be fitting and apply at your hearings today.

The Deputy Chairman: Thank you, Mr. Gallagher, you may be sure that your information is applicable, as it is to the small farm situation in the Maritimes.

Mr. Alan Graham (MLA): Mr. Chairman, senators and ladies and gentlemen, first of all . . .

The Deputy Chairman: I also have to be excused for a television interview, but before I do there is one question that I would like to ask. It is about crop insurance in New Brunswick. I understand it is the only province which has not got it. Would you care to explain why there seems to be difficulty in not implementing that?

Mr. Gallagher: The comment I would like to make regarding the crop insurance program is: I think the main reason why it has not been implemented in New Brunswick is that no commodity group, as yet, has put forceful enough representation to the provincial government to have it implemented and I think, in a situation such as the crop insurance program, we must have a fairly high per-

centage of participation by the producers themselves, and if this is forced on them by the provincial government, I feel we will not get that kind of participation. I think this is one example of so many cases in which producers, if they really want it and are going to make use of it, they had better get busy and ask for it.

The Deputy Chairman: So they have not asked for it, There is no demand?

Mr. Gallagher: We heard demand in our group; it was mentioned several times. We felt the provincial government should do a bit further work to be prepared for it but that it not be implemented until commodity groups that feel they could make good use of it, apply for it.

Mr. Graham: We had asked the Department of Justice to draft legislation comparable to the Province of Nova Scotia and the Province of Prince Edward Island, and make it available to the French and English Federations of Agriculture, to see if it was what they wanted. I don't know whether that has been done yet or not, but that was a request of the select committee last year. I don't know where it stands right now, but it was the drafting of some legislation to let the people it is going to affect look at it and see if that is what they wanted, and this was a recommendation that we made in one of our hearings. I think it was in Chatham.

Nevertheless, we are the only province in Canada without crop insurance at this time.

Mr. Chairman, if I might, I realize you have to go but . . .

The Deputy Chairman: Yes, I have to go, but I am putting the meeting in the hands of Senator Lafond. Please excuse me.

Senator Paul C. Lafond (Acting Chairman) in the Chair.

Mr. Graham: As a member of the select committee and also the provincial counterpart in the New Brunswick Legislature for Kent County, I have a few comments I would like to make. Some of them are related, possibly, to my own personal feelings. At this time, if the chairman would permit, I have listened with a lot of interest today to federal and provincial people, employees of the Department of Agriculture, and I have listened to a lot of frustrated farmers and non-farmers over the last ten or fifteen years.

The word "frustration" was used today. The words "last hope" were used today and the words "lack of information" have been used. In all sectors, some of these words do apply. It is my feeling, though, that the federal and provincial programs as they relate to the Department of Agriculture, as they relate to the agricultural industry, have worked fairly successfully and relatively successfully to the people that exist in the industry, to the big, shall we say, farmer, but all of our provincial and federal policies, or the most of them, have not related to the little fellow and I hope that maybe we can get some direction on that that they have not related to the little fellow.

It is my belief—and I have watched this over a period of years, I was born and brought up on a farm myself—that all the great programs that are developed by the federal government and by the provincial government, these programs that are designed to help are not helping the little fellow who perhaps is driving a school bus and has a very, very marginal income, is not able to take part in these

programs because, first of all, he doesn't know about them. There are all kinds of programs.

The Deputy Minister of Agriculture from the province outlined some of them, and they are good programs—nothing against them, but how many people know about them? This is one of the major questions in the industry. If you are a member of the Hog Marketing Board or the Dairy Distribution Organization, then you are getting along, but what about the little fellows that aren't members, they aren't getting the information that they should?

The Task Force on Social Development, which Senator Michaud has referred to from time to time, brought out some significant, some very significant points. First of all, this Task Force did travel the province and it did talk to these little fellows, so-called, that I referred to, and their voice was that the industry, the Departments of Agriculture, were not relating to them and this was the voice of these people.

This Task Force also brought out some other very interesting points that New Brunswick has resisted urbanization, more than any other province in Canada. I think these facts are also very, very obvious here in New Brunswick and especially in Kent County.

The fact that New Brunswick has resisted urbanization, the fact that over half the population of New Brunswick are rural, non-farming people, that are not affected by any municipal council, by any municipal structure of government, relates that there are many people living in rural areas who are not farmers and I am wondering if the Department of Agriculture, both federal and provincial, should not take a closer look at what we are doing.

As I said, they have done a very good job in dealing with the large dairy farmer, the poultry farmer, the hog farmer, but what about the people who live in rural New Brunswick who are not farmers at all? They are not farming. They would like, perhaps, to farm in a certain small way but yet they add very much to our rural New Brunswick life and to the background of New Brunswick in general. These are the people that I think the Department of Agriculture, and the Senate Committee, I hope, will look at and see what type of programs can be devised for them.

The voice of the little fellow, whether he is a farmer or not, is not being heard today. He is not covered by any type of municipal form of government, he is not relating to any or very few of the programs as they exist. About two years ago the New Brunswick Department of Agriculture held a seminar on what is called community development, and there were some very basic recommendations came out of that community development seminar, and I feel that right now I believe Louis-Phillipe can confirm it, because he was one himself, but there were only five community-development officers working in the province. These people relate, not only to the farmer, not only to the man, the school bus driver, the man on welfare—they relate to the whole of rural New Brunswick. They have organized and worked with these people on their own basis and if I may, Mr. Chairman, I am just going to read one summary of what came out of that Task Force recommendation and then I want to draw a parallel of how I feel this could be a potential, or it could be a recommendation of this Senate Committee. The recommendation was:

Government should adopt the goal of Community Development, which is a total improvement of com-

munities by utilizing the energy of all the people. Government should adopt the basic assumption of Community Development which briefly states that all people want to and will help themselves if given a chance to use their resources on their own terms.

And this is the trouble with a lot of government programs. We, as politicians, you as civil servants and many other people, go out and say, "Here is your program. Here is how it relates to you". This may not be exactly what the person wants and needs, and I believe very strongly that if we give rural New Brunswickers a chance to develop their own resources on their own terms, then we have started a real rural development program and we may revitalize some of the agricultural industry.

Another recommendation was that government should adopt the process of community development and that government should implement a community development program. As of now I believe in the province of New Brunswick there are only five Community Development officers. One of them is working in the Kent-Westmorland area of New Brunswick, there is another working around the Fredericton area, there is one working in the northeast and one in the northwest, I guess, but the work of these people is very, very significant and I feel that on a program of rural development a community program is what is needed today in New Brunswick.

As an example, these Community Development workers work with 22 Christmas-tree growers in an area north of Kent County. These people, some are on welfare, some are driving school buses, some are working as labourers with the Department of Highways and so on. These people drew up their own criteria.

Mr. Chairman, I only have one copy but I will see that each member of the Senate committee, through Senator Argue or Senator Michaud, gets a copy. In brief, these people drew up a program of raising Christmas trees relating to their own farm woodlot, relating to what they had at their own disposal. They were not going to plant trees: They were going to go in on their own farm woodlot and prune and spray and so on and work with the extension, with different departments of government, to make a basic industry for their area.

These 22 people drew up their own guidelines. These people drew up guidelines that were very, very stringent. They drew up guidelines such as any man who is caught working for the benefit of himself, rather than the association is automatically out.

When you get regulations drawn up like that, they are sincere regulations and this is the whole concept of community development.

As an example, right now there are no federal or provincial programs that relate to their requests as needed. This would be under the federal-provincial ARDA agreement, and this should be changed, and I will draw a parallel in a moment. This Christmas-tree organization is saying that the federal and provincial governments would have to put in approximately \$168,000 over a period of four years. After four years, they are breaking even, they are showing a profit. This \$168,000 is broken down. Year one was \$22,000, year two \$37,000, year three \$48,000 and year four \$61,000. But what these people are asking is no more than is put in by one of the federal programs and a LIP program in any one given area. This is giving an industry supporting 22 woodlot owners or 22 people in rural New Brunswick or rural Kent County. This was

drawn up as an out-product of a rural development officer working with a community project. This is only one example.

The example of New Brunswick NewStart working in New Brunswick on an oyster industry. I remember sitting in an oyster bar ten years ago listening to a bunch of men saying, "We will rake all the oysters this year because next year we may be dead" But NewStart came in and they developed a program and worked with the people, they showed them that there was potential, something just like a pilot project that Senator Michaud mentioned in tobacco, but they brought the industry to the people and they made them work right at the grassroots and they built up a cooperative at Buctouche, and that will probably be the biggest oyster-producing area in eastern Canada in the next few years, all through artificial production. They have changed the attitude of these people from the attitude of defeatists to the attitude of accomplishment nad it was done on their terms, not on the forced terms of civil servants coming in and saying, "You do this and this or this".

Back to the Christmas-tree producers, relating to their potential, as I said, at the end of year four they will break even. At the end of 12 years, off 40 acres of land they will clear \$58,000 in Christmas-tree production. This is self-supporting for any person. If you divide that as a multiple back it gives them about \$6000 a year for their income. This is welfare people and people with relatively low skills who have devised methods of supporting themselves, and I think that whole concept of the agricultural industry of rural New Brunswick has got to be changed. What we have done in the past has worked, but over the last ten or fifteen years it is questionable whether it has worked at all.

We are losing more and more, we have seen statistics today where there is a tremendous drop. I am not saying, gentlemen, that you abolish the research station or anything like that, because that is needed, that is needed for the industry, certainly needed, but we have to take a look at the other side of things. I think the industry as such has gone one way and the guidelines and the guidance has gone another. We are not only relating to the big farmer, we are only relating to the person who has capabilities of his own, but we are not relating to rural New Brunswick and I would hope this Sente Committee would look very closely at rural New Brunswick, not as the concept of a farmer with 100 cows and not as the concept of a farmer with a big, viable farm, but rural New Brunswick as such, which has over half of its population not farming at all, and they are still people within a community, they are still people who make up rural New Brunswick, and I believe very strongly that if we are going to do anything for rural New Brunswick, for rural Kent County, then we have to include these people, because they also make up the community. If we do this, I feel strongly that they will be able to develop their resources within any given community, whether it be Christmas-tree production, arts and crafts, oysters. No matter what it is, it is still making a community in rural Canada or rural New Brunswick a better place to live, and this is what I would hope one of our goals would be, and I would hope that the Senate committee would not only look at the agricultural industry as such, but also at rural New Brunswick, and the significant part of it is that rural New Brunswick relates not only to agriculture, but to many other people. Thank you very much.

The Acting Chairman: Thank you, Mr. Graham and Mr. Gallagher. I think that Mr. Graham, in his last few paragraphs, has kind of hit the nut that was not necessarily worrying, but concerning a few of us, in that the deeper we go into it, the more we realize ourselves that the problem is not essentially an agricultural problem, but has a very large content of a social problem in it. It is something that we will have to wrestle with when the time comes to draw up our report, to try to discover how far we can go without our mandate on agriculture, maybe to express a few other ideas without in any way preaching to the government of New Brunswick.

It is extremely enlightening and rewarding to us to hear you today, two of the younger members of the Legislative Assembly of New Brunswick, who hold those views, and you can expect every encouragement from us in trying to convince every one of your colleagues on both sides of your house of the value of your claims.

Mr. Graham: Mr. Chairman, just one point I missed and wanted to say: Under the federal-provincial agreement there is an area agreement that exists with New Brunswick. There is the possibility of a pilot ARDA project in Kent County coming up that has been signed federally and provincially.

New Brunswick NewStart is going to make a submission tomorrow, which I totally endorse, and I will not elaborate on it because it is their submission, but to go a little further than what New Brunswick NewStart are recommending, I would like to say that I believe, and I believe very strongly, that under the ARDA agreement, it has to be more flexible than it is now, a fund or some other term of reference. But relating say, to what these Christmas-tree producers were asking, if they could come to Fredericton or come somewhere—right now they are at a blank wall. The provincial say it is a federal jurisdiction and cost-sharing. The federal say it is a provincial jurisdiction on the relation of the extension service in the forestry industry, and there is a grey line there of how these people get this type of project off the ground.

As I say, they are frustrated more and more when they see maybe their next-door neighbour on a LIP project with three times as much money as I mentioned, as they required, and at the end of June there is nothing left to show for it, only people who were employed during the winter months. I would recommend very strongly that the Senate committee look at the present ARDA agreement to see how funding and how experimental projects could be handled so that they could be dealt with in an urgent manner and also in an experimental manner. They may not meet any of the guidelines right now within the ARDA agreements, especially this one, but I think it is a sound, good project and it is worthy of a trial. If it is spent by error, fine, it is not the first thing that has been spent by error by any government; but if it is a success, then success is worth a lot more than \$168,000.

I would hope that the Senate committee would look at the ARDA agreement, as such, and see how such forms of funding could be made available, so that there is not all this communication back and forth between Ottawa and Fredericton and Ottawa and the provinces, and by that time the hope and the encouragement these people need is all gone.

The other thing that I was a little concerned about this afternoon when the Deputy Minister of Agriculture was speaking—and I knew I was not supposed to speak at the

time—is that there is an extreme shortage of good bilingual agriculturalists or agronomists in the province right now. The Deputy Minister did say that there are technicians being used, but technicians sometimes are only people with high school education and a couple of years in an agricultural school. There are three gentlemen up there; all three are retired now. I believe in the last ten years there have been ten French agronomists who have either passed away or retired from the Department of Agriculture, and in many cases these positions have not been filled by French agronomists as such, but in many cases by technicians, and I feel that the work of a rural development officer sometimes would fill the gap in some cases.

If New Brunswick would go into a program of development officers and so forth, perhaps this might fill the gap better than technicians that the Deputy Minister did mention they were employing.

The Acting Chairman: Are you aware if the University of Moncton is contemplating an input of some sort in agricultural training, professional or otherwise?

Mr. Graham: I am not aware. In fact, Laval is the French agricultural school and apparently there is some shortage in French students attending Laval. Nevertheless, last year I believe—and I stand to be corrected—there were around 400 graduates from Laval. Is that right, Mr. Chiasson?

Mr. Chiasson: Yes.

Mr. Graham: In any event, I am not sure. There was a significant number, but they are not able to get any professors and if that is so, it must be because of salary. In that case, I feel very strongly that New Brunswick should look at their salary scale. Perhaps their salary scale is not what Ontario's or Quebec's or Nova Scotia's is, and in this case, we will have to up it, because there still is a very significant amount of agriculture in the Francophone part of New Brunswick and these people are not being serviced the way they were 10 or 15 years ago, definitely. I don't think they are anyway, and as I said, there are at least three directors within the department who were Francophone who were not replaced by Francophone directors, and this is very significant.

Now, it is not a question of blaming governments because it has been a continuing process for the last four or five years. It is a question of blaming the policy on wage scale. I believe this is where the problem arises.

The Acting Chairman: Thank you, Mr. Graham. If I may, honourable senators, just make one last remark, as I read your brief initially I marked a paragraph on crop insurance and intended to ask you a question on that. As our Chairman left he bent over and said, "Ask a question on crop insurance". By the time I had reached this chair, Senator Michaud had already asked the question.

Nonetheless, as a comment—I don't know whether you are aware of it or not—the federal crop insurance program was not particularly popular in Ontario and Quebec at this time last year, but after the kind of fall they had, both provincial governments are on a heavy publicity campaign and crop insurance is being picked up like something very valuable at the moment in Ontario and Quebec, not that I wish any disaster for New Brunswick by any means.

The first questioner I have on my list is Senator McGrand.

Senator McGrand: We keep talking about rural communities of viable farms. Now, on the Prairies they tell me perhaps a thousand or 2,000 acres is a viable farm, and I hear a great many people in New Brunswick have been listening to this for a long time. I was on the Land Use Committee in the Senate for seven years. I was told so often that to have a viable farm in the Maritime provinces you should have 500 or 600 acres.

Now, as a rural New Brunswicker, I have always had a feeling that you could have a viable farm with much less acreage than that. Would you just say a few words about that?

Mr. Gallagher: Well, 500 or 600 acres would depend on what type of farming you were doing. Certainly for potatoes there are plenty of viable farms with much less acreage than what you referred to. If you are referring to grain acreage, I am not sure just what the acreage would have to be in the Maritimes to make a viable grain operation because I am not sure yet that you can do it.

Senator McGrand: Unless it is viable.

Mr. Gallagher: I am not sure that you could do it with any acreage. You may think that a bit strange. I grow about 200 acres on my own farm. I am sure I am by far not the best farmer in my area. I certainly hope I am not the worst.

I bring a lot of western grain in. In the past five years I could have brought my grain in cheaper than I grew my own. Mind you, we are in a different ball game this year. Where I have been buying feed barley laid in at about \$44 a ton, as of today barley is now \$83.60, so we are in a different situation now. So what applied up until this year, with the shortage we have and the increase in grain prices, I don't know just what the acreage would be in grain. I am not that much of a specialist.

Now, mind you, if you go to livestock—that is, hogs, poultry—acreage is not that important; and then as we go to dairy and beef, of course acreage again comes in on a different basis. So to ask a general question like that would be very difficult to answer. You would have to come down into commodities and let someone answer for each commodity.

Senator Inman: I was just going to ask, not specifically every one, but what about mixed farming? A little bit of everything?

Senator McGrand: Including woodlots.

Mr. Gallagher: We have plenty of land, so it can be done. I think the percentage of mixed farms is perhaps decreasing, as is the number of farms in general decreasing. Alan will want to comment on this, and I will just be brief, but in my opinion we are forced to specialize due to the high cost of mechanization. We can't afford to mechanize to grow 20 acres of potatoes any more, so we are forced into a larger acreage to make more and better use of the equipment that we must purchase. I think the same applies to dairying. I think it is too expensive to have too many irons in the fire.

Mr. Graham: I would agree with my colleague on this, that basically if you are looking at a farm that is self-sup-

porting as a farm, a farm family and so on, you have to specialize.

The day, as I knew it and as my father knew it—maybe we were shipping cream from eight cows and kept 20 head of cattle and 100 hens and the eggs bought the groceries and so on—is a thing of the past. Whether we like it or not, that is a thing of the past. If you are talking of the farm and nothing else in rural New Brunswick today, you have to specialize and I would say if you are in dairy you are talking 100 acres of perhaps a viable farm, would be 100 acres cleared land and a couple of hundred acres, and if you have a couple of hundred acres of woodlot, it is a good supplement, but again, you can get by on 100 acres cleared land with no woodlot. If you are talking poultry, you can get by with a lot less.

One comment I would like to make, though, and I am always intervening here and making comments and perhaps my colleague would like to say something also, but something else comes to mind.

I had a note here on feed grains and so on. It is my feeling, and I have always felt this way—especially now, as my colleague said, when we are in a different ball game than we were at least a year ago when feed grain has doubled in price and when supplements have tripled in price—that perhaps now we should be looking at raising more grain in New Brunswick or in the Maritimes than we are. We have the land and we have some good land. We can raise herta barley. I have raised herta barley almost every year and have had some good yields, where your land is dry land and you get on to it relatively early, and it relates also to a relatively good grain production. But if we are looking at grain production, I believe the province and the federal have to be in on some kind of new type of program and we have freight-rate assistance and assistance on western grain now. I would hope that the feed-grain assistance would never be taken off because if it was, it would be the end of agriculture or the end of the livestock industry in the Maritimes, for sure.

But as a supplement to this, I would like to have the federal government look at a policy or at a program whereby, if a person wants to raise more grain than he has, say, last year, or related to any given year, any excess acreage he would be subsidized on, on a given bushels-per-acre on an average yield, the same as the freight assistance on the western grain.

For him to buy fertilizer and for him to improve his own land, then perhaps you would not have quite so much land growing up and you might have more people go into it. I am not saying that this be the new program and the other be completely abolished, but I think the two could run hand-in-hand, because I think you can produce grain cheaper than \$83. You couldn't produce it lower than \$43, but I feel if there was some type of subsidy, looked at by the federal for any acreage of grain in excess of what was in before, then there might be some possibilities and it might be a way of revitalizing another part of the industry with no extra dollars because, if the grain is grown in New Brunswick and used in New Brunswick, that subsidy would have had to be paid in Saskatchewan and brought down here, and it really wouldn't cost the government that much more money, and it may be something to look at as far as revitalizing some of the Maritime industry and also relating to the fact that you would not have perhaps quite as much land growing up or going back to woodlot.

The Acting Chairman: Thank you, Mr. Graham.

Senator Inman: Well, Mr. Chairman, this morning, speaking of grain, one of the federal officials said at the moment more grain could not be produced in New Brunswick for the Maritime provinces. Why?

Mr. Gallagher: Well, I couldn't go along with that statement myself.

Senator Inman: I couldn't either.

Mr. Gallagher: I don't know in what context it was given but as far as total tonnage of grain goes, there is plenty of room for us to grow grain here. It is a matter of economics. It has been a matter of economics.

Mr. Graham: The land is available, it is a question of producing it economically.

Dr. Weaver: Clearly, the competition that our grain producers have to face is that of the western grain and there is some deficit in regard to their prices for that. Certainly today there is a great incentive for increases in grain productions and high-protein feeds, perhaps generally, certainly in the Atlantic area, and I think this will be realized this year. There have been several responses in that vein in the area.

Senator McGrand: If you are going to try to increase the production of grain, would it be in oats or barley, or what would it be?

Mr. Gallagher: I think we are making the most use now of barley and wheat.

Senator McGrand: You would not expect to grow wheat in New Brunswick, would you?

Mr. Gallagher: We can.

Senator McGrand: But we never did, New Brunswick never fed itself in wheat production.

Mr. Gallagher: Well, we are certainly not short of that now, but we are getting some better varieties of wheat, feed grain wheats, instead of sort of cast-off sort of flour varieties. We are getting higher yields of wheat now than we used to.

Senator McGrand: Rural New Brunswick certainly grew a lot of wheat but at the time of Confederation the Maritime provinces only produced one-third of the wheat flour that they ate. The other two-thirds, one-third came from the eastern American States and the other third was produced in Upper Canada and came through American ports in bond. So if you couldn't raise wheat, I don't see what the future of wheat is, unless it is a different quality of wheat. Is there such a thing as a wheat that is suitable for feed?

Mr. Gallagher: This is what I am referring to completely, is a feed-type wheat.

Senator McGrand: A feed-type wheat.

Mr. Gallagher: Right.

Senator McElman: Mr. Chairman, the small woodlot, let us get back to it, on the small farm, the diversified farm. Mr. Graham has referred to the community development, the rural community development and many of those people not being either full-time farmers or part-time farmers. Many of those people are engaged for a good part of the year in woods work. You spoke of part of the

rural community, at least the unorganized, not belonging to any associations. I think it would be very useful to this committee, Mr. Chairman, if Mr. Gallagher and Mr. Graham could tell us what has been happening in the organization of wood producers in the province, which very much affects the rural people. Their attempts to get the price for the woodlot product which will give them not just a day's wages, but something for the wood that they are producing as well, which they have not been given at the prices which they have been getting, let us say, by the large users of the wood; and also, if they could refer, in addition to the type of organization that is building, if they could refer to the action taken by the Legislature in its last session in amendments of the legislation, I think it would be very useful to the committee.

Mr. Graham: Well, Mr. Chairman, and Senator McElman, first of all, the woodlot owners of New Brunswick claim to be 50,000 members in the population of New Brunswick, or there claim to be 50,000 woodlot owners in New Brunswick. These woodlot owners, over the past several years, the past decade, have been very, very discontented with the price of pulpwood. The price of pulpwood related very much to the farm-cash income in very much or almost all of rural New Brunswick. In fact, the price of pulpwood as it relates, has not changed with the exception of this last several months, because of a world shortage, has not changed since the Korean prices in 1950. In fact, pulp was less last year than what it was in 1950, but yet, newsprint and everyone else in the industry, was getting more money, the organized labour and so on.

Through the hard work of people such as I mentioned, these rural development officers, they started to animate and to organize and help the people organize themselves. Today there are seven woodlot owner associations in New Brunswick, consisting of the majority of rural New Brunswick. They, themselves, have organized to the point that they went and asked the government for legislation to bring them to the bargaining table with the mills. They asked the New Brunswick government who controls a tremendous amount of the majority of the woodland of New Brunswick under Crown lands, to give them legislation so that they can bargain, so that they can sit at the table. They have asked the New Brunswick government to also put restrictions on Crown lands and on the use of Crown lands, if these people fail and to coin a phrase, if these mills fail to negotiate in good faith.

There is some question whether, in my own opinion, the legislation is strong enough, but certainly it is legislation and it is a proof of people under the guidance of community development, under the guidance of rural development officers, having gone and asked the government and told the government what they want, not what the government was going to give them, but what they wanted and this, I think, is the basic difference of how rural New Brunswick and how we should deal with rural New Brunswick today, as related to 10 or 15 years ago.

These people, the majority of them, or a good many of them, are not farmers. They are people living in rural New Brunswick, they are lumberjacks, they own a woodlot, they do farm a bit but many of them are not farmers but, yet, through the work of the rural development officer—and there are only five of them in the province, there are not near enough—these fellows have gone out and many times these rural development officers have embarrassed governments, federal, provincial and otherwise, embarrassed myself as an elected member, and Charles

as an elected member, and yet they have got the people, they have got the trust of the people, where sometimes the politician can't and many times a civil servant can't.

These rural development officers have got the woodlot owners of New Brunswick organized to the extent that I think we are going to start seeing results, that they are going to be able to start bargaining. I am glad that it is at a time when the pulpwood industry is on an upswing. It is a real tight market right now because the industry is demanding more product than what it can supply and I hope that these woodlot owner associations have the very best of luck in getting a fair price, because they have not.

It has been a known fact for many years that what a lumber company produced on its own land, off Crown land and got to the mill, was costing him a lot more money than what he was paying the woodlot owner who was producing the wood right next door.

Mr. Gallagher: I would just like to comment. I was very interested in your comment on the legislation that was just passed. I think that was a very fair statement, and I would like the committee to know that is one reason why Alan and I get along so well. We do try to be fair when we work on Committees together and I would like to compliment him on the fairness of his statement regarding the legislation.

The Acting Chairman: Thank you, Mr. Gallagher.

Any other questions?

Well, on behalf of the committee, I would like to thank Mr. Gallagher and Mr. Graham for appearing before us. They certainly gave us a very stimulating presentation, and we had a very stimulating production.

We will take your representations most seriously, as federal politicians.

Mr. Graham: I will get you that report on those woodlot inquiries. This relates to what these people want to do with Christmas trees. I can leave you this copy, I suppose, and you can have copies made. They have it completely broken down.

The Acting Chairman: So, thank you, gentlemen. The meeting is now adjourned until 8:00 o'clock this evening.

The Committee adjourned.

The hearing resumed at 8:00 p. m.

Senator Hazen Argue (*Chairman*) in the Chair.

The Chairman: On behalf of our committee I am glad to welcome so many of you here tonight. I think the attendance is excellent, and I hope we will be doing valuable work on your behalf.

Now, I understand that our first witness this evening is Mr. Zoel Arsenault of the Fédération des Agriculteurs Francophones de l'Archidiocèse de Moncton (FAFAM), so I would ask Mr. Arsenault to come forward and give his brief. We have a good Deputy-Chairman who will look after all our needs, so without further ado, I ask the witness to come forward.

Senator Michaud: The first one we are going to hear from is Mr. Arsenault.

[Translation]

Senator Lafond: Could you please explain to us again what FAFAM means?

Senator Michaud: The Fédération des agriculteurs francophones de l'archidiocèse de Moncton. (Federation of French-Speaking Farmers of the Moncton Archdiocese).

Senator Lafond: Thank you.

Mr. Zoël Arsenault (Representing the Fédération des Agriculteurs Francophones de l'archidiocèse de Moncton): Mr. Chairman, Honourable senators, ladies and gentlemen.

This brief is presented to the Senate Committee on Agriculture by the Fédération des agriculteurs francophones de l'archidiocèse de Moncton.

Introduction.

This brief can only give a few indications on the situation of agriculture in Kent county. Only the farmers can give a more accurate picture as they are often victims of the bad policies adopted by federal and provincial agriculture departments.

As this time of year is a very busy one for farmers, your short notice has prevented most farmers from participating to this brief. We hope that in the future you will think about the time of year and give at least a month's notice.

We would like to congratulate you for your interest towards agriculture, particularly in Kent county. However, as we have met hundreds of study groups and nothing practical has ever come out of it except for the creation of another study group, we can only doubt the sincerity of such a group. Nevertheless, we are ready to give you the benefit of the doubt hoping that this Committee will provide for something other than giving holidays to a few senators.

Our criticism and suggestions are directed to both the provincial and federal governments, because we think both are responsible for the lamentable situation of agriculture in our area; both are guilty. Guilty because they have encouraged large companies and large contributions to electoral funds at the expense of several groups of society including small farmers.

This brief also wants to point out the way the Department of Agriculture approaches farmers. This approach is that of a civil servant who imposes what he thinks is the best solution instead of consulting with the population. Too often it only encourages the closing down of many farms, thus increasing the number of people on welfare.

Finally, we would like to bring to your attention the potential of agriculture in Kent county. This potential however will not materialize itself if both governments do not help and change their approach.

The situation of agriculture in Kent county:

For some years, the general trend in agriculture has been a decrease in the number of small farms, representing 48.7 per cent in Kent county, while in New Brunswick it is of 37 per cent.

Nowadays, in Kent county 92 per cent of farms have gross sales revenue of less than \$10,000 and 66.6 per cent of less than \$2,500.

If the net revenue represents 12 to 20 per cent of it, it means that very few farmers can depend on it to live decently.

However, during that same period beginning in 1971, there were two agronomists in the county while in most others there was only one.

We can then conclude that this decrease is due to insufficient policies to encourage the operation of small farms.

According to Statistics Canada, only 401 farms in Kent county can actually live from agriculture.

Other farmers, forced to leave their farms, have deprived the county and rural communities of a large potential because they went to work in another province, they moved to Moncton, or they live off welfare to be sure their families are well fed.

Most farmers still living on their farms are not satisfied by their agricultural revenue.

Indebted, obliged to work more than 15 hours a day, and getting no help from the governments, farmers see no future in agriculture unless concerned authorities change completely.

Projects like the Brussels sprouts Co-op in Rogersville and St-Charles Co-op, which were initiated with the help of ARDA program, cannot receive any more assistance and are forced to vegetate.

There are, however, indications that agriculture in Kent county has a great potential.

The ever growing market in Moncton and on the coast down to Chatham could be developed in favour of farmers if they were given a chance.

Several years ago, the provincial government was asked to make a study on the potential production of vegetables in the county.

Now, four years later, the results of this study are still unknown even though estimates were voted to pay for its costs. Farmers are wondering if the government is not waiting for companies to come and establish themselves forcing the last 400 farmers still living on their farms to leave.

Farmers are certain that there is a real danger the companies will control every stage of agriculture from production to store shelves.

They already know that the George Weston Limited controls Save Easy, Atlantic Wholesalers, Red and White Stores, Marvens, Connors Brothers, Kitchen Brothers and Sobey's, and that the John Labatt Limited controls Maple Leaf Foods, Eastern Bakeries, Five Roses, Habitant, Purity Flour, etc . . .

An oil company in the United States controls 30 per cent of all eaten vegetables. Will it soon be the same situation up here?

Why can such companies benefit from the DREE agreement so easily while, after 10 years, the ARDA agreement is still only an electoral promise for most of Kent county inhabitants.

We think that the governments were never serious when they talked about developing the rural areas in New Brunswick. We think both governments are more interested in seeing the people of Kent county go and work in plants or as janitors in Moncton or St. John than in really helping them develop their community.

The federal and provincial agriculture departments have plenty of civil servants more interested in staying in their offices than going out to meet farmers and to really understand their problems.

The federal Department of Agriculture develops national policies without taking into consideration regional disparities, so that very often these policies do not help areas such as Kent county.

The provincial Agriculture department refuses to think in terms of community development and still adopts policies that are completely beside the point. Its decision to centralize all agronomists and veterinarians in urban centres demonstrates this fact and farmers are totally disadvantaged.

All too often the department is more concerned with assisting big farmers living along St. John river than dealing with the urgent problems of small farmers in Kent county and in the province in general.

It is time the department stopped giving statistics to farmers.

Farmers need human, technical and financial resources that will help them and which, through a consultation and animation process, will succeed in reorganizing agriculture and small farms in Kent county.

Governmental policies:

The second part of this brief will specify the shortcomings of a few governmental policies, either federal or provincial.

Once again, in most cases, policies are not established by farmers for farmers, but by civil servants who are not in touch whatsoever with the rural and farming class.

Small Farms Development Program or Uneconomical Farms Development Program:

This program, which bears a nice name, but which does not really benefit to farmers of the area, proves once again that policies are being devised from a national standpoint. In fact, the program has a very limited application, as explained by a civil servant:

"It takes a fluke for the program to work."

Created by bureaucrats, it requires too much red-tape. For a buyer and a vendor to be eligible, numerous conditions have to be fulfilled, thus eliminating many farmers.

One of the limiting conditions is that both the buyer and the vendor must be farmers. This excludes everyone else like widows who would like to sell, and it is just another way of discouraging small farmers.

Agricultural loans:

Nowadays, it is far easier for a young man to borrow \$5,000 to buy a car than to borrow that amount to set up a farm.

Governments do not encourage young people to go and live on a farm.

As most farmers of Kent county are 50 years or older, in 10 years or even 5 years from now, the agricultural class will have disappeared.

Why is it that the Departments of Agriculture do not encourage young people, either through loans or assistance programs to settle on farms. It seems obvious that

the aim of the government is to bring about a complete disappearance of agriculture in our country.

Just as the government does not encourage young people, it seems to discourage the already settled farmers by formulating all kinds of criteria in order to prevent the small farmer from borrowing at reasonable rates.

The Farm Credit Corporation and the Farm Adjustment Board lend only sizeable amounts and therefore compel the small farmer who does not need such amounts to call on banks, finance companies or even worse, to get into debts while he does not really need all that money.

No longer than five (5) years ago, an official of the Farm Credit Corporation said as he was refusing a loan to a farmer in this county: "Kent County is not profitable, there is no future there."

Is this an attitude likely to encourage the farmers?

On the other hand, there are no members from Kent County on the Farm Adjustment Board and it is controlled by a group of officials from the Fredericton area.

Are they aware of the needs and problems of the farmers in this county?

Veterinary and agronomist services:

Four or five years ago, the provincial Department of Agriculture in a brilliant period of its history decided that the veterinary would be more easily available to the people of Kent County if he moved to Moncton.

Since that time, the great majority of farmers from Cocagne to Rogersville have suffered from a lack of adequate veterinary services.

Many have lost and are still losing animals.

In front of some one hundred farmers of the Buctouche area, two (2) months ago, the Deputy Minister, Mr Gilbert, answered this problem by saying:

"Statistically we've got the best veterinary service in Canada," and he flatly refused to discuss the matter any further.

In the same manner as the Veterinary service, this same department decided that the agronomist had to be exiled in Moncton.

This decision taken two years ago is already causing problems to farmers, though they are not very serious.

However, the deputy minister seems to be assured that statistically speaking the agronomy service is excellent.

When he was asked why he did not consult the farmers of the region before taking such a decision, he answered curtly:

"We did not consult!"

With such an arrogant attitude on the part of a deputy minister, how long do you think farmers will be able to survive on their lands?

The ARDA program:

The government has been announcing the ARDA program for ten years now. It has survived several elections and up to now it still remains on the list of electoral promises.

The provincial government seems to prefer building barrages instead of giving money for community development.

How long shall we or can we wait before this assistance is given?

DREE policy:

On this point, farmers are asking themselves several questions. Why does the Federal Government not place at the disposal of farmers or group of farmers equally important sums of money?

Why is it so easy for a company to receive millions within several weeks while the people in Kent County have to wait more than 10 years for the possibility of obtaining money from the ARDA program?

Why does a firm like McCain's receive \$7.1 million while a cooperative in Kent County cannot get any help?

Who controls the Government? Companies?

Local Initiative Opportunities for Youth programs:

It seems to us that very often these two offshoots of Federal policies only serve to produce wool blankets or baseball teams.

Of course, we need them, however, they should not be over-estimated.

Farmers think that these projects should be directed towards the community, such as projects involving young people on farms.

Welfare policies:

For some years now, it seems that Welfare is becoming a refuge for the victims of bad government policies.

Welfare does all it can to discourage the recipient, through a number of stupid laws, to work at a job, however small it may be.

Do you not think it is about time the government should stimulate these people to work instead of encouraging them to do nothing.

Farmers need farmhands and very often a welfare recipient needs to work to regain the will to live.

We hope that, in the future, Welfare will not be the only alternative for farmers.

Our resolutions:

It is agreed:

First, that the federal and provincial Departments of Agriculture think about participation, consultation and community development.

That Civil Servants come out of their offices and through consultation and animation, develop policies with the population which will help the people of Kent County, including farmers to pull themselves out of their predicament.

Secondly, that the Departments of Agriculture should carry out market surveys for the farmers of Kent County and help afterwards to organize such markets, and that the Departments see to it that all necessary resources are available to the farmers.

That the Departments study different alternatives for the farmer such as group farming, land banks etc.

Thirdly, that the Departments of Agriculture should encourage younger people to live on farms, by granting them loans, or helping them to rent lands, etc.

That the Department of Agriculture should encourage our composite high schools to include courses on the basics of agriculture thus enabling our young people to get more interested in it.

The conclusions, dear sir:

To conclude, senators, we wish that this brief and these resolutions will be used for other purposes than that of lying on the shelves of some offices in Ottawa.

You must understand that people in Kent County are fed up with writing briefs, answering sets of questions, formulating requests, asking for forms, calling and attending meetings which are but a waste of time.

You must understand that people in Kent County, particularly farmers are determined to stay in their home place and live there.

They do not want any plan from above that will dictate their future.

They want to participate in the formulation of these plans, they want to implement them and reap the profits.

The *Fédération agricole francophone de l'Archidiocèse de Moncton* is convinced that it is now time for the Departments of Agriculture and the governments to take seriously the farmers of Kent County.

For many years now, statistics have shown what the situation really is in Kent County, but it seems that governments cannot do more than read these figures and promise solutions.

In the meantime, our villages lay empty, our young people have gone away and the number of our farms has declined.

If the actual tendency persists, in ten years (10) there will be no longer any agriculture in the county.

We hope that for once, concrete results will obtain from these meetings and that the exploitation of farmers by companies and governments will come to an end once and for all.

Thank you.

Senator Michaud: Thank you, Zoël.

The next speaker is Mr. Finnigan.

Would you like to come and take a seat please.

Mr. Finnigan speaks in the name of the *Woodlot Association*:

Mr. Chairman, honourable senators, ladies and gentlemen, this brief is presented to the Senate Committee by Woodlot Association: We are once again facing an assembly. This time, it is a study Committee of the Senate.

It is not the first time that we meet groups such as this one, and, sadly enough, we have to say, from our past experience, that seldom have we seen concrete results come out in favour of the wood producers and the farmers.

Taking as examples here in New Brunswick the Forestry products board and the Clarke Report on the situation of the pulp and paper industry, we, wood producers, consider that such study groups had a tendency to make recommendations designed to improve the lot of large businesses, but what have they done to improve our own lot?

However, in spite of past experiences, we have come here to meet you.

The Union of owners of woodlots of the south-eastern part of New Brunswick is an organization which regroups several hundred owners from all parts of Kent County and from the civil parish of Rogersville.

The Union exists in order to attempt a consolidation of woodlot owners into a strong and lively association so that together through their organization, these people try to obtain better prices for their wood by exerting the necessary pressure to obtain more favourable legislation and by developing new marketing alternatives which will help them to reach their objective of better prices.

It is needless to tell you—you have doubtless had all kinds of statistics on the county—what impact a pricing organization for cut lumber by the owners of woodlots could have on the social and economic situation of the county as a whole.

In our association—myself as a Chairman of the Union and our some 800 members—we are confident that in the future, we want to do something, we believe that it is possible to revert the trend towards welfare which is noticeable in our county and in the last two years that our organization has existed, we have worked and we still work to develop alternatives such as our projects for a co-operative lath plant and the forestry movement.

We are willing to spend time on it, we are willing to use our land, our money and our work, but alone we cannot succeed; what we need is the support of our government and of groups such as yours.

We will need not only financial support, but also policy changes that will allow for and encourage the development of our sector.

Presently, the Union is working on three fronts:

First, the improvement and passing of a legislation which would be more favourable to owners of woodlots.

Secondly, the organization of a co-operative lath plant.

Thirdly, the organization of a forestry movement.

As far as the legislation is concerned, the work is slow and difficult. For many years woodlot owners have tried to get a legislation that would put them on the same level as pulp and paper plants when they negotiate prices and contracts with these plants.

However, as you know, some of you having been politicians before being appointed to the Senate, the influence that these companies have and the money they can spend on election is such that they have a very powerful lobby with politicians and as may be seen from our failure to obtain the desired legislation a much more powerful lobby than ours.

However, we do not intend to stop and we will keep on going, even if we must hit upon a system where all important decisions are taken in connection with and in favour of the people who control influence and money.

But the thing that we regret most in all this situation is the neutrality and passivity of the Department of Agriculture.

According to us, the Department should be there to defend and protect before anything else the people it wants to serve.

Unfortunately, we think that the Department is only a puppet in the hands of politicians and big business.

We would like to see—and if you have something to do with it we hope you will make a suggestion accordingly—the Department of Agriculture receive an entirely different direction so that it would become more available to the people and would develop its policies from the grass roots, with the participation of the people.

Needless to say, this would probably mean that fewer people would work in offices and more people such as community workers would be working in the fields with the people.

The idea of a co-operative plant is something that has been considered for more than a year and a half.

With the help of both the federal and provincial Departments of Economic Expansion, and various other departments, we have now a plan for a lath mill and if we can succeed in developing it, it will create some 22 permanent jobs and also a market for some 6,000 wood cords coming from the owners themselves with an added profit—on top of the fact that they will belong to an industry—of \$10 a cord as an average for their wood compared with what they receive presently.

There already are programs both federal and provincial which will be useful in this project but we would like to have more feasibility studies and more staff to work with us and help us with these projects.

Presently, we are having discussions with the Company of Young Acadians in order to try and get four community workers, in addition to the person who is presently working with us on the Regional Farming Southeast Board and to the one working with us in the Department of Agriculture.

The federal and/or provincial governments should make more money available to groups such as ours so that we may hire workers and develop our sector.

It is easy for a big company to make feasibility studies, to find the necessary information, to organize meetings and to establish a new industry such as a lath plant, but for us, scattered as we are throughout the county with limited resources, things are not that easy and we need the help of organizers, of people who want to help us.

In the woodlot consolidation plan which has been studied by us for more than a year, we have approximately 100 wood lot owners who are willing to place some 10,000 acres in such a plan if we can succeed in developing it.

The plan would regroup this land in order to work it rationally according to a development plan which would dictate the amount of wood to be cut each year as well as the amount of plantation and clearing that should be made every year.

There are already seven such plans working in the Province of Quebec and they are receiving the help of the federal and provincial governments to facilitate the operation of the groups.

In Kent County, we hope to have such a project financed under the special ARDA agreement for the county.

Up to now, there have been many discussions on ARDA program and some people do not think very highly of it; however, as far as we are concerned, we have not yet submitted a project and it is too early yet to pass a judgment.

Nevertheless, we would ask you to check the intention—we hope the good intention—of the Department of Regional Economic Expansion and of the provincial government on this matter. As regards the ARDA program, we would like the federal government to pay a greater part of the projects financed under these programs.

We think that if instead of paying 50 per cent, the federal government committed itself to paying 75 per cent of the costs and the province 25 per cent, the province would be less reluctant to initiate projects.

New Brunswick is a poor province and the present 50-50 formula rather tends to favour the rich provinces which are in a position to take advantage of such programs because they have money.

What are you going to do? You have influence, you have money, you have political contacts, you are part of the ruling class; but are you willing to use all these resources to help changing the situation.

For you, are these sessions nothing more than a performance intended to give the impression that you are interested in our problems without being involved in anything but the drafting of a report. We hope that this is not the case. We appeal to your sense of justice and ask for your support.

Thank you.

Senator Michaud: Thank you, Mr. Finnigan.

Now, when we entered this room a while ago Mr. Philippe Bourgeois, agronomist in Kent county indicated that he would like to submit his personal view.

Mr. Philippe Bourgeois (Agronomist): Honourable Senators, ladies and gentlemen, I appreciate your dedication and the interest you take in the farming and rural cause in Kent county and I do welcome this opportunity for submitting our grievances, our claims and also our hopes.

The problem of our area, that of the Southeastern part of New Brunswick are many, complex, difficult to identify in order to determine their true causes and bring about the best solutions.

We have poverty, unemployment, welfare recipients, a lower education level than anywhere else, a language problem, poor municipalities, a dying agriculture and so on and so forth.

Thousands of dollars have been spent to tell us that and the solutions offered are cultural centres, information offices and art and craft centres.

The real problem, that is the development of our resources has not been touched upon.

Agriculture, fishing, forestry and tourism are the industries that should be considered in order to find out what is their development potential and the best marketing organization for their products.

The Regional Southeast Development Board is doing a considerable amount of work in these areas, but it does

not have the financial means nor the necessary staff to accomplish all that should be done.

Today, we are concerned with the farming sector.

This is the sector where people, as it is the case for several of you, have spent much energy to complete a career which seems to have been useless, since agriculture in Kent has been weakening constantly for the last 25 years, so that we now meet here today to wonder about what should be done with these abandoned farms that are being taken over by American businessmen and tourists, about what we should do with the few remaining small farms.

Can we give agriculture in Kent a new start, give it a good kick-off to make it prosperous again so that the invading army of alders retreat, that our pastures be green again, or would it not be better if Kent county became a big national park where part of the population would live off tourism and the other would go to economic growth centres such as St. John and Moncton and join the population of chronic unemployed or welfare recipients, who are prone to anglicization and to the loss of their ethnical and cultural identity.

I like to believe that this is not what we want, but where is the relief?

Can our young men make a career in agriculture?

Here are questions that require answers and they are not easy to find.

If in Kent county one notices that farms are being abandoned, there must have been reasons; they are multiple and complex.

However, I think that we can identify some of them. First of all, the federal policies concerning dairy farming by setting up cream quotas when prices were low, served to eliminate a large number of small farmers.

In fact, this quota policy was established just to eliminate small farmers and to absorb butter surpluses. It has proven a success.

On the other hand, the federal and provincial loan policies have been directed towards the establishment of commercial farms, supposedly viable and efficient, so that all those who did not want to go into debt or those who could not qualify for loans, because of lack of securities, have also been eliminated.

Since Kent included a larger percentage of small and average farms, those policies have affected it more than they have other places.

I must add that in general, federal policies are established for the country as a whole and do not always meet the needs of poorer and disadvantaged regions such as the southeastern area of our province.

I must say that since the last World War, there has been a rush towards farm mechanization in order to get more efficiency and profitability by eliminating manpower and increasing production.

Many Kent farmers have followed this trend, but forgot to expand their lands and to increase production.

Thus, many of them made financial undertakings which they could not meet and this together with the increase in taxes until the Liberal government of Louis J. Robichaud took over and the attraction of cities, led to the situation

where many packed up and left their properties for sale to pay taxes, thus falling pray to big financiers.

Here are the main causes of the decline of agriculture in our area.

In conclusion, we can say that this decline is due to a lack of appropriate policies, a lack of planning as far as our agriculture is concerned and a lack of initiative from the federal and provincial departments of agriculture.

I do not want to insinuate that this democratic movement could have been completely driven back.

This phenomenon is general throughout the world. However, I think we arrive a bit late with the policies of assistance to small farmers.

Prevention would have been easier than cure.

To cope with the general situation in Kent and elsewhere in Canada, the federal government in co-operation with the province are organizing a series of new programs or initiatives to obviate the low level of education as well as unemployment and welfare. All these initiatives of the Department of Manpower and Immigration, of the Department of Regional Economic Expansion show an appreciable effort to solve those social economic problems in the poorer provinces and in certain under-developed regions.

However, this program of assistance to provinces or to regions is not significantly directed towards the solution of marginal farms problems.

The regional and agricultural development program had brought some hope to our province and to our county.

In fact, one of its aims was to face agriculture as one of the possible methods to use the land and to systematically try to adopt the best methods of use in every case.

One wonders today if it has not been decided that the best method of use of the land was not to let it be invaded by alders or to let it be sold for taxes to some financier or to American tourists.

I am not trying to insinuate that nothing has been done with ARDA's money. Several projects have become a reality. Others were developed but should still be assisted. The Department of Agriculture's rural development service is doing a good job.

Regional Councils also accomplish a great job. I have rarely met such dedicated and devoted men to the economic and social comeback of the rural classes as those revolutionary bearded men working within the regional Council for the development of southeastern New-Brunswick.

I had the opportunity to work with them, and I think I can say that the money granted to finance the council even though inadequately, is not squandering.

The aim of these councils is to animate the rural population, to inform it, to help it organize itself, to make plans for the development of primary resources, to present its grievances and its claims to the authorities concerned.

Unfortunately, their efforts are often limited by the lack of funds and by the opposition of some authorities.

NewStart has also established itself among us; it has already been working for a few years.

Its work has been limited to social problems.

The study relating to the potential of our primary resources was set aside and they have told us that in the schooling area, it was better to prepare our youth to go and live elsewhere.

This really meant that our youth had no future here, and that it would be better off to prepare itself to earn a living in the economic growth centres of St. John and Moncton, created by the Department of Regional Economic Expansion of Canada.

I agree that we cannot keep all of our young people here; many will have to go and live elsewhere, but I still think that our primary resources are worth being studied and developed and that there is sufficient room for several of our young people.

They, at least, will perhaps be able to earn a living while remaining true to themselves and in better conditions than those existing in the polluted cities of today.

We are told that NewStart will soon close its doors and that the building where it is actually located will be occupied by various provincial departments.

I would prefer keeping my old office for another few years and see NewStart continue its work, but this time, directed towards the study and development of our primary resources.

That NewStart be given a competent staff in agriculture, in forestry, in fisheries, and in tourism, and that it be ordered to make a constructive work in developing our resources in co-operation with the people and other agencies which already work with them.

I think that we could build something more solid and that would last longer for the economic development of our region than some Local Initiative projects.

What is left of agriculture in Kent is considered as sub-marginal, that is farms that do not provide their operators with a sufficient income to allow them to live decently after all deductions have been made for management expenses, depreciation and interest on investment.

It is an agriculture which lacks soil resources, capital, credit and often its operator lacks technical and administrative know-how.

This type of agriculture bears serious implications since it cannot give its operator his share in the social and economic development of the nation.

The operator of a marginal farm cannot qualify for loans, since these are channelled towards large businesses.

Such operator often abandons or neglects his farm when salaries or jobs are more attractive elsewhere.

During the last 15 or 20 years, the discoveries through research in agriculture have benefited large businesses, because small ones could not put them to use. By keeping in mind these characteristics of marginal farms it is possible to establish long-term policies to bring them up to the level of profitable farms after a number of years.

Long-term policies implemented step by step and under control represent the only hope of reenlivening agriculture in Kent.

I believe that this is possible if we use our imagination, by innovating in certain cases and by changing some of our ideas or attitudes.

For instance, nothing is said when the government makes a grant to certain industries or companies, but when particulars are involved it is not very popular.

We have always believed unemployment and underemployment to be temporary anomalies.

I think we are mistaken, because with modern discoveries in mechanization and automation, there will always be unemployment and underemployment in large cities.

In establishing new agricultural policies, this factor should be taken into account and the decrease if not the inversion of the population flux towards cities should be an important objective to consider.

Furthermore, I think that in the future, there should be improved cooperation between different departments in the formulation of policies.

For instance, should there not be an understanding between the Department of Agriculture and that of Welfare that the owner of a small farm should be encouraged to remain at home where he could earn part of his living rather than to let him go to the city and let Welfare support him all year long?

Would it not be better to subsidize a small farmer during a few years while, with a special loan, he could try and make his farm profitable?

These are new ideas with which many people will not agree.

However, it is not more reasonable to think that the future will repeat the present, that there will be no changes and that our agricultural policies should always be based on the same criteria.

I believe that the Federal Department of Agriculture's small farms program is a timid step forward in the right direction; it is far from being sufficient.

Once again this policy is made for the country as a whole; it will seldom apply to us since to qualify as buyer and/or seller, both must be farmers.

If it should happen that both neighbours qualify, very well, all abandoned farms whose owners are no longer farmers cannot be bought under this Act.

Before ending my remarks, I would like to say a few words about the agricultural possibilities in Kent, for if there are no agricultural possibilities, it is useless to promote agriculture in this area.

On the other hand, some farm loan agencies have refused to make loans saying that there was no future in farming in Kent.

First of all, as far as soil is concerned, according to their classifications, the majority of Kent's lands are in the third category and are considered good.

The first category has no limitation factor; the second category includes moderate limitation factors; and the third category has rather serious ones but that can be controlled and overcome.

When the operation is well organized, the production is good for a wide variety of crops adapted to the area.

The climate of the region is greatly influenced by the Northumberland Strait waters which warm up in May and June, and keep their warmth late into the Fall, thus lengthening the non frost period up to one hundred and forty (140) days along the coast.

In the interior, risks of early frost in the fall and late frost in the Spring are always to be feared, but not more than elsewhere.

Three (3) miles from the coast, the non frost period is still one hundred and twenty (120) days.

As far as rain is concerned, at least three (3") inches of water fall each month on the area. However it is sometimes poorly distributed, since during the months of July and August, we have drought periods.

Generally speaking, we can say that our soils and our climate are favourable for large scale crops, for cattle breeding and for the production of fodder.

In the horticultural area, what can be done?

According to a cursory study made in 1970 in New Brunswick, there are four areas where vegetables can grow.

These areas are located along the sea or the rivers where the soils are of alluvial origin or are good rich soils. These regions are located up and down the St. John river, in Kent and Westmorland counties and in the coastal area of Restigouche and Gloucester.

As far as our region is concerned, let us say that all the soils are not suited for the growing of, but we have many soils in which we can grow, on a commercial basis, the following vegetables: cabbages, carrots, corn on the cob, lettuces, turnips, brocoli, Brussels sprouts etc . . .

In the fresh market area, we can increase the acreage from one thousand (1000) in 1969 to two thousand (2000) to supply the local market.

In addition to the local market, there is the export market: New-England is at our doorstep where millions of people live.

This market, in my opinion, if it were developed, would offer huge possibilities, as well as the Newfoundland and the Quebec Great North markets.

As regards processing, there are also possibilities. We can produce brocoli, Brussels sprouts, peas and carrots to be sliced. Why would there not be a freezer in the area?

Why is a study not being conducted on the subject? But, who will take the initiative to do it?

In our area, we have been producing apples for a long time. We know that this culture is possible. Why cannot we find more organized orchards? If they are waiting for someone like me who has no money, they will wait for a long time.

But who will take the initiative to organize orchards? Why is tobacco not developing? There are people who are interested but there is always a lack of money.

Before concluding, I would like to say a few words on two projects that have been developed.

I mean the Rogersville farm cooperative, producing Brussels sprouts for McCain's Food, and the St-Charles vegetable producers cooperative which grows vegetables on the St-Charles marshland.

Both businesses require help to develop and become more efficient and functional.

In the case of the Rogersville farm cooperative, the cabbage peeling factories have a capacity of 300 acres or more.

To meet McCain's request, they must increase their size and maybe renew non functional machines that cause losses in the selecting process.

They will also need help to mechanize the crop, to build greenhouses as well as to manage their cooperative.

McCain's is wondering why things are not working better, but it is easy for them to expand, to better themselves, when thousands of dollars are being granted to these enterprises.

The St-Charles vegetables producers cooperative is also facing a development and an expansion problem.

Twenty-five (25) acres of carrots are not sufficient. They should be harvesting one hundred (100) acres to be sure to have a viable enterprise.

The possibilities are there; there is no doubt about it. In a paper of the Department of Agriculture prepared in 1970, it is said that in the next ten years, New Brunswick could plant 2,000 acres of vegetables for the local market, and 3,000 to 4,000 other acres for exports.

I will end by quoting a few words by Dr. M. M. Coady at a conference in St-Anne College of Church Point around the year 1928 or 1929. Speaking of Nova Scotia, he said that it was —and I quote:

"Whitened by the dead bones of lost opportunities."

I think the same applies to us.

It is for us to profit from the development opportunities that are being offered but it cannot be done without producers, without a market survey, without the necessary facilities, without a strong organisation and most of all without money.

Thank your sirs.

Senator Michaud: Thank you, Philippe.

[Text]

Next on the program is a brief by the WAKE, the Rexton Federation of that organization.

Flora Sullivan, Secretary, Rexton Sub-Federation of Agriculture: We would like first of all to thank the Senate committee and especially Senator Michaud, our representative from Kent County, for taking time to look at the problems and hopefully find solutions to those problems affecting the rural communities in Kent County.

The Rexton Sub-Federation of Agriculture is an affiliate of the WAKE Federation of Agriculture which is (Westmorland Albert Kent English-speaking farmers, the N.B. Federation of Agriculture and the Canadian Federation of Agriculture).

The Rexton Sub-Federation has approximately thirty farmers. The board of directors is responsible for this brief, we hope it will give you ideas from the grass roots so to speak.

Rural Problems in Kent County:

As you are aware all the problems in Kent County are not caused by agriculture nor will they be solved by agriculture. Farming is only one of the many professions which go into the makeup of the rural community in Kent.

True, in the past agriculture has played a prominent role, perhaps more so than in other counties where the

urban population is greater. Today however, agriculture cannot be expected to be the only base for a strong and viable rural community; it can only be one of the factors that will contribute to improved conditions.

We feel agriculture will employ no more than 10% of the total population. This is somewhat higher than the average for Canada and the U.S. but we feel for the time being it may run that high in Kent County.

People for the most part in Kent have been reluctant to take hold of newer ideas and we know that initiative puts the spark of life into any area. At the same time it is difficult to develop this initiative if the area has been in a depressed state for any length of time.

Agriculture in the Future of Kent County:

There are a good number of successful farmers in Kent County today, and there is room for many more, providing a broader understanding is taken as to what makes a viable farm operation.

A viable form operation should give the operator a satisfactory living, allow him to repay debts, and provide capital for an inevitable expansion program. In order to do this a few basic requirements must be kept in mind.

Markets and Marketing:

Farm enterprises should be developed that will fit into good marketing systems. There should also be a need for the product on a large scale, both inside and outside Kent County.

Marketing knowledge must be on a broad basis, especially adapted to the selling of products on markets outside Kent. The development of any marketing program for a local market is doomed to failure, because it will be too restrictive to the producer.

Any farm commodity must compete on the world market. Therefore, volume is most important. Kent farmers will need to combine with farmers outside the county in order to be strong in the market place.

Land Improvement:

Many farms in Kent require enlargement of fields, improved drainage systems, a general raising of soil fertility and lowering of soil acidity. These problems are not altogether the doing of present-day farmers. They have been caused by generations of farmers working under conditions of restricted income, which would not allow them to spend capital on land improvement. If future farming is to be successful these problems must be corrected, and the cost of doing them cannot be borne by the present generation.

True, there is a land improvement policy based on the provincial and federal governments paying 40% of the cost on a considerable number of projects, but the 60% remaining is too much for the present income situation. This is borne out by the fact that so little land improvement work is being carried out each year in Kent.

Suggested Farm Enterprises:

Hogs—can be produced successfully in Kent. The price of our hogs is the highest in Canada most of the time. The industry is based on imported feed grain which requires feed freight assistance. June first 1973 saw not more than 10% of the grain planted in Kent. Research tells us grain

must be in the ground by May 24th. after that date a reduction in yield of 10 bushel per week for every week delay in seeding can be expected. Therefore, we cannot rely on the growing of our own feed supplies.

Broilers—Can be grown successfully as the market expands.

Beef—is the most likely area for expansion. Land values are relatively low and the market is good.

Vegetable Production—could be expanded depending on the market demand and the method of marketing. Efforts should be made to produce for the wholesale and processing markets because the local market is too difficult to supply because of over supply in flush periods.

Tobacco—could be expanded in preferred areas.

Fluid Milk—as the market develops in the Moncton area, there could be room for expansion. The new milk marketing scheme may help this situation.

Requirements for Development:

1. The people must have the courage to locate capital to build a profitable enterprise.
2. The educational level must be achieved so as to grasp rapidly the changing methods.
3. The desire to want to farm and work hard. Farming is a private business, not many such businesses are successful without hard work.

Government Assistance:

1. Further help will be required in the Land Improvement Programs.
2. Department of Agriculture extension programs should be designed to encourage viable farm units. These programs should establish high objectives.
3. Programs to assist in the establishment of young farmers who have the necessary qualifications, should be expanded.
4. Broader and expanded growth centre programs for the Moncton area as well as the towns in Kent County, so as to provide employment for more rural people in Kent County so that they will have the income to buy the farm and other products which they rightly deserve.

Part-Time Farmers:

We feel there is a place for part-time farmers, especially for people who will be employed in the city and towns. We hasten to point out that a sound agricultural industry cannot be built on this type of farming, but it could help to contribute to the income of individuals.

Once again we would like to thank you for your interest in our future. We will be ready to give you what ever assistance you may need in developing your policies.

Senator Michaud: I want to thank Mrs. Sullivan.

Next, we have the copy of a brief to be presented by Mr. Yvon Babineau, on behalf of the Association of Christmas Trees Producers of Kent County North.

Mr. Yvon Babineau, President, Association of Christmas Trees Producers of Kent County North: Honourable Senators, Ladies and Gentlemen: This brief is submitted to the

Senate Committee on Agriculture by the Association of Christmas Trees Producers of Kent County North.

Through this brief, we want to show the experience we had with ARDA and what we think of it.

First of all, Sir, it should be remembered that, in 1971, an agreement was signed between the provincial government and the federal government.

This agreement was apparently meant to help agricultural development in New-Brunswick and the development of the Tourism Industry.

The agreement was known as the third ARDA agreement.

As regards Kent County, our good representatives have agreed to make a planning effort.

This responsibility has been given to the secretariat of the Provincial Cabinet. These experts on planning thought they should consult the people of the locality.

So, we have been told that there is now an ARDA agreement which could really help us.

As ordinary farmers and lumberjacks, we wanted to find a way of living without being on welfare or on unemployment insurance.

So we have drafted a project, but one which does not require millions in financial help; we only asked for \$200,000 over a period of four (4) years.

We have estimated that with this small assistance, thirty four (34) heads of family could live, earn their living at home and feed their family.

We submitted this project to the Government and the people responsible for planning answered that it was a good project, that it was full of common sense but that they needed time to see what they could do.

We waited patiently for about a month. No news. So, we thought about showing our project to our provincial and federal Members of Parliament.

So on the twenty seventh (27) of April, 1973, we had a meeting with Messrs. Omer Légère, Allan Graham and Roméo A. Leblanc.

We submitted our project to them.

We explained it. They told us it was marvelous, that it was very good but that you must sometimes be patient with governments.

We asked them whether it would be possible to have an answer by the 15th of May. They promised they would do all they could but they could not make any definite promises.

However, on May 16, one day after the date agreed on for an answer from the Government, we learned through the Evangéline, that the Minister of Agriculture was not aware of the project but that the Deputy-Minister had been for some time.

We still hope for an answer even if it is now the middle of June. We are still hoping for an answer because we know it takes time with governments.

However, some of us think that the Federal and Provincial Governments are using ARDA to fool us, especially in Kent County.

We are convinced that it is not fair to have people work on drafting projects, to raise their hopes with false pro-

mises and to promise them financial assistance in the form of a subsidy.

We are also convinced that it is not fair on the part of the Government to employ people to do the coordination and animation of these projects without having the slightest intention of giving the necessary financial help.

Gentlemen, if our doubts prove to be right, what do you think will become of agriculture in Kent County?

Thank you.

Senator Michaud: Thank you, Mr. Babineau.

This ends the list of briefs of which copies have been submitted beforehand.

[Text]

This completes the prepared briefs, copies of which had been handed to us beforehand.

Now, have any of the senators any questions to put?

Senator McGrand: On that matter of brussel sprouts, I have been told that much of the brussel sprouts processed by McCain's at Torrenceville are grown in Rogersville, is that so?

Mr. Bourgeois: Yes.

Senator McGrand: Is the soil of Rogersville particularly good for brussel sprouts?

Mr. Bourgeois: Yes.

Senator McGrand: Rogersville is a long way from McCain's.

Mr. Bourgeois: It happens to be located there.

Senator McGrand: The people of Rogersville took the initiative.

Mr. Bourgeois: Yes.

Senator McGrand: Those farms are producing less than \$2500 a year income. What is the acreage of those farms, quite small?

Mr. Bourgeois: yes.

Senator McGrand: All right, I am through.

The Chairman: Any more questions?

[Translation]

Senator Michaud: It seems there are no other questions.

[Text]

The Chairman: In this first brief that we were presented with there is a great deal of criticism of the small farms development program. It stated that each one has to be a full-time farmer and it was suggested that it is difficult for anyone to get the capital to operate, but as I understand it, the purchaser of one of these small farms is able to buy it with only \$200 down. Now, I would think that at least that is a step in the right direction. If a prospective farmer can buy land under the small farms development program for as little as \$200, that would certainly let some young people into farming.

Mr. Bourgeois: That is true but both of them, both the buyer and the seller have to be both farmers.

The Chairman: I got that point.

Mr. Bourgeois: It happens sometimes.

The Chairman: There is no objection to the \$200, that is low enough. For somebody who is not a farmer, a young man who is not a farmer would have a chance to buy this farm with \$200 down. Do you think that was okay?

Mr. Bourgeois: I don't see how a young man could buy that farm if he is not a farmer already.

The Chairman: All you are saying is that that part of the act should be changed?

Mr. Bourgeois: Yes.

[Translation]

Senator Fournier (Restigouche-Gloucester): I would first of all like to congratulate people for the briefs which have been presented here to-night; they have a great value, they really represent the ideas of the farmers or rather the small farmer.

Now, let's talk about concrete things; we just talked about Brussels sprouts; I had the opportunity to talk with a couple of producers, two or three producers of Brussels sprouts, in Rogersville, last winter; I think they have a project which would be worth studying and helping.

They started a few years ago; apparently, two years ago, they produced one million six hundred thousand pounds; eight-en or nineteen producers could produce two million pounds of Brussels sprouts. I think it is a concrete project which should be taken into consideration.

Now, there is a question I would like to ask to the person who submitted the last brief on the production of Christmas trees.

Is it connected with the organization Mr. Graham, the Member of Parliament, talked about this afternoon; it is the same organization or is it another project?

Mr. Yvon Babineau: yes, I think it is the same thing; we have presented our project to Mr. Graham.

Senator Michaud: It is because Mr. Graham talked about it; he talked about something similar this afternoon and we wanted to know whether it was the same thing.

Senator Fournier (Restigouche-Gloucester): I noted especially the brief by the agronomist, Mr. Bourgeois; I think he raised very important points in his brief and it should be studied; I can say this much: the quality of the soil he has just described is good for several sorts of farming; the climate and everything was corroborated this morning by the Director of the experimental farm in Fredericton; he told us more or less the same things.

I think that something can be done in Kent County, no matter what has been said in the past about the quality of the soil, for instance that there was nothing to be done agriculturewise in that County; I am convinced that something can be done; all we have to do is to find the means to do it.

The Committee wants to get information; we didn't come here to give you solutions but I can assure you that the members of the Committee are sincere; if there is something we can do, or even a piece of legislation to amend, if there is money to spend for concrete projects to

give a chance to the farmers whether it's in Kent County or elsewhere in the Province, well it is certain that our recommendations will be very strong; I can tell you that the chairman of our Committee is a progressive farmer himself; he is not from Eastern Canada, he is from the West; but he seems to understand our problems, although there is a great difference between the two types of culture.

Now we have Senator Michaud who has set the wheels turning and is probably responsible for our visit here, in his County, this week; I am convinced that he will carry on working for the people and the farmers of Kent County and the whole province.

Now, the only thing I can tell you is that we are interested in having the ideas of the farmers and not only those of the experts.

I think there was a lack of cooperation or coordination in the efforts made in the past in different areas, but mainly in the farm area where plans had been presented but were not suitable to the farmers.

I think that if you can work in cooperation with people who want to help you; future policies will be more favorable to small farmers than they have been in the past.

Senator Michaud: Thank you, Senator Fournier.

[Text]

Senator Norrie: Mr. Chairman, the last speaker spoke about the slowness of getting results from applications for money. I assure you, I sympathize with you 100 per cent but don't think for one minute it is just Kent County that is ignored, because we are all ignored. Weeks go by and weeks go by and weeks go by, and we call and call and call about these projects. I have been involved in them and I am sure everybody here has been involved in them. I don't know why it takes so long but it just seems to take a great deal of time so please don't feel that you are being ignored and the rest of us are being served, because that is not the case: We are all ignored until it all comes out in the days after the application has been made. We have not found the solution yet.

The Chairman: I wonder if I could get some comments from any one of the speakers here tonight, just on this particular matter. How much capital are you thinking of when you consider an adequate amount of capital to go farming in Kent County, how much money? The Farm Credit Corporation will loan up to \$100,000. I would think that is lots, but is it \$20,000 or is it \$30,000? How much capital? Is it too difficult to get a loan from Farm Credit Corporation today? Do they want too much security? Is it hard to get or can you get it and what interest rate are you prepared to pay? The interest rate is 7 per cent. Other interest rates are higher. Is 7 per cent too high? Can you afford to pay it? You see, when we make our report we want to put in some concrete things, "We think there should be so much capital", "We think the Farm Credit Corporation and others should be doing such and such to make the loans easier to get", "We think the interest rates should be such and such", and we would like to know, I am sure, from you what your ideas are about these things.

Mr. Charles Bourgeois: Members of the Committee, to answer Senator Argue's question I won't give any figure. However, should he care to see them after the meeting, I am ready to show him the requests made by the farmers in the past, at the provincial and federal levels, and the

answers that were obtained. It ought to be pointed out that these same individuals were able to go to trusts or banks where they were granted loans.

Referring back to the sums of money that you have mentioned, it is certainly not the maximum that constitutes the problem but the minimum.

Last spring, the Provincial Government passed an Act for the purpose of buying machinery, the loan being guaranteed up to 75% by the banks or credit unions. The problem arising from this is that the minimum was \$1,500.00.

Fifteen hundred dollars may seem very little, but I will give you an example. Personally, at home, my brother and I we needed three (3) machines which were worth \$1,650.00. Since the third machine was not available, we could not qualify for the loan because we only had two (2) machines, and the amount was thus a few hundred dollars short.

Therefore, let us say that the amount is not that large, however, we could have had that capital on too short a term; if we could have had that money on a long term loan it would allow us to make up the capital invested and if the loan is too short, we cannot use it, it is difficult, and this is presently the major problem.

[Text]

The Chairman: Do you mean if it is less than \$1,500 you can't get the loan?

[Translation]

Charles Bourgeois: Apparently, this is what the Deputy Minister told us at a meeting at Bouctouche during the month of April, or during the month of May, the minimum is \$1,500.

Therefore, we can say that \$1,500 is a minimum if we want to help; very often, the average farmer, let us say, may need money, but very often he does not need \$10,000., \$15,000. or \$20,000. Ten years ago, my brother and I asked for each one of us a loan of \$5,000. We were ready to take out a first mortgage because each one of us had a property and we had farming machinery, but it was refused.

That is an example, but today they would make me a loan for \$100,000.

[Text]

Mr. Alec Murray: Mr. Chairman, and honourable senators, you mentioned a figure of investment or a loan that might be needed to carry on a viable farm operation. Well, that is a figure that is pretty hard to get at. There are a lot of different farm operations. The money invested has a great deal of difference. I can only speak for my own operation, which is a dairy operation. I know that with under \$100,000 investment you are just not in business. There may be other operations that would take less capital but that is my experience and I think that is getting probably on the low side. I feel at the same time you have to have the kind of investment that is going to give you a good standard of living in the shape of a good salary, compared with other professions and at the same time, interest on your investments. We are not getting both. I think everyone appreciates probably that but still the solution of the thing, I really don't know, but I feel that for young farmers to face the investment that they have

got to put into a viable operation is pretty discouraging and I think there are a great number of young farmers in the county that, if they had enough encouragement they would continue and probably would increase in numbers quite a bit. At the present time our county of Kent—there are only probably five to seven fluid milk producers and in the press release on your hearings, they gave the population of Kent at something around 24,000. Now that, is a very small amount. There are in the Richibucto Valley, which the Senator knows pretty well, a great deal of improvements, but the land is there and it is not being utilized. The few farms that are in both river valleys, and I know there are other sections too, but I am using those as examples, where the land is really as good as any in eastern New Brunswick but it is not being pushed anywhere near capacity on any farm and some practically no results really worth mentioning.

It is all just that they are not getting the advice and they are not getting the encouragement. By "advice" I don't mean advice from someone with a lot of possibly college education: I mean someone with some real practical experience who can go onto the farms and give the young farmers encouragement and practical advice. I know probably this is a provincial affair but I think the federal government provides quite a lot of the money that helps this thing out and I think that we should have practical specialists to go onto the farms and sort of encourage them in whatever line of work they are interested in.

I don't know whether that answers any or your questions or not.

The Chairman: Would you care to put a figure on the interest rate you think should be applied to one of these loans? Do you think it should be less than 7 per cent, perhaps on a certain quantity of money? Do you think it should be 7 per cent?

Mr. Murray: I would hesitate to say that it should be a lower sum. I think if we have got a good operation we should be able to pay interest rates that are comparable to some extent with other industries. We are getting provincial help on that.

The Chairman: To bring them down to what?

Mr. Murray: Well, to bring them down to 4 per cent.

The Chairman: Oh, well, okay. You can pay 4 per cent but 7 might be tough.

Mr. Murray: Certainly. We should be able to pay that or we wouldn't be in business.

The Chairman: You might answer this question if you would not mind. You might consider it a little bit first, but if you don't mind, or make it hypothetical: If a dairy farmer needs \$100,000 to have an operation, what proportion of that would be land and what proportion would be equipment and what proportion might be livestock? Just a wild estimate, not too accurate.

Mr. Murray: Oh, he should have as high a proportion in livestock as possible. That is his paying end of the business and as low in machinery as possible, but to get at the exact figures I would just not like to say too much.

The Chairman: What would you think the land component would be? How many acres, let us say, at how much an acre?

Mr. Murray: To make a viable operation?

The Chairman: Yes, of the type you are talking about, right.

Mr. Murray: Well, that varies a great deal too, because you can make a viable operation out of a small acreage a great many times even in dairying, but I would say the minimum would be possibly 150 cultivated acres and less than 200.

The Chairman: That might cost you \$50 an acre or \$100 an acre.

Mr. Murray: Well, including land, drained land in good tillable condition is going to run \$100 an acre easily.

The Chairman: How much?

Mr. Murray: A hundred.

Senator Michaud: Mr. Murray you made a statement there a while ago and perhaps Senator Argue was occupied with something else, and I would like him to hear it again. The population in Kent County is, in fact, 24,000 as the last census indicated and how many milk producers did you say had milk quotas?

Mr. Murray: Possibly about seven.

The Chairman: That is a fluid milk quota?

Mr. Murray: Fluid milk quota. There are a number of manufacturing milkmen but they are a very small proportion.

Senator Michaud: So I think what you would like to indicate at this time is that Kent County is not doing its fair share in that regard—right?

Mr. Murray: Right and I think that Kent County is just on the fringe of a growing city like Moncton and has a real future in many sections of the County for milk production and if we don't take advantage of it, someone else is going to.

Senator Michaud: You mean to say we should at least be permitted to supply our own population?

Mr. Murray: Right, and some over.

Senator Michaud: Thank you.

[Translation]

Senator Fournier (Restigouche-Gloucester): I would like to ask a question to the person who spoke before me or to anyone else. If financial aid were given to a farmer that we may call a part time farmer would this help agriculture to recover in the county of Kent, in the eastern part of the province?

Have farmers been refused loans on the ground that they did not qualify because they did not earn the major part of their income from the land?

Mr. Phillippe Bourgeois (Agronomist): To qualify for a provincial or a federal loan, a viable farm must be organized immediately.

Senator Fournier (Restigouche-Gloucester): Immediately.

Mr. Phillippe Bourgeois (Agronomist): To obtain a loan now, the loan must be sufficient for the farm to become viable.

Therefore, a small farmer who might have say around a hundred acres or so, and who does not have many animals, who needs more buildings, and machinery, this farmer would have run into debt for \$75,000 or \$80,000, and of course he considers this impossible, those figures are too high.

Anyway, the Department would refuse to give him the loan, since he would not qualify.

I think that the solution to help the small farms is to give them another kind of loan, a loan that is tailored to their needs, a loan for a period of 5 or 10 years, giving them the money they need for this period of time. Thus, we could watch them, help them increase their farming production progressively and this way they might manage to create a farm on which they will be able to live.

I think that the present loans are not geared towards small farmers but towards large farming enterprises which can obtain sufficient credit and security enabling them to obtain these loans.

Senator Fournier (Restigouche-Gloucester): I am not quite sure, you may have answered in part to my question. What I would like to know is, in your case, as a farming representative, would you be ready to recommend that the government help financially a small farmer whose main job is perhaps not farming, who has a job but who would like to do some agriculture on the side. Would you be ready to recommend that, considering the present conditions of agriculture? Would that help to revive agriculture?

Mr. Charles Bourgeois: I will try to answer that. I do not know whether the others will be of my opinion.

Supposing that an individual intends to do some farming. In order, to organize himself he needs to earn a bit of money on the side. He obtains it through some side line which helps him to get organized. In addition to this, if he had loans, it would help him enormously.

On the other hand, if we are dealing with someone who has a job and earns a fairly good income and you lend him certain sums of money so he can farm, these two things done at the same time could become dangerous. I do not know, but we might be dealing with some sort of a cutthroat.

In agriculture, we should check whether there is a shortage of produce, and if so, we should produce it locally, this I agree with.

Production should be done locally. On the other hand, I think it should be considered as a profession. If we do not consider the farmer as a professional, if anybody can get into farming, if a company can get involved without knowing what it is doing and start producing during a whole year, as was the case with slaughtering animals, pork particularly. They get involve for a year or two, they have the necessary investments and then, if the price goes down they can get out of it fast. Farmers cannot do that and this is why they are in a tough spot.

There has to be long-term planning. We need long-term and short-term policies, but I do not know whether that answers your question.

Senator McGrand: I have one question. Mention has been made of large corporations who buy produce from the farmers at depressed prices. I presume this is done by contract which is referred to as vertical integration. Now, could you tell me the product that is purchased in that

way? Is it the meat, is it milk? Is it any other farm produce including brussels sprouts? I would like to know more about it.

Senator Michaud: Do you recall who made that statement, Senator McGrand, whose brief was it?

Senator McGrand: It was in the first one, I think, someone made the statement that large corporations were buying produce from the farmer at very depressed prices and I wondered—that is nothing new, you know, to buy stuff from a farmer at a very depressed price, but I want to know what was the method? Was it done by contract?

Mr. Finnigan: If it was for the brussel sprouts, which I think is the question . . .

Senator McGrand: Anything, it could be meat or milk or brussel sprouts or anything.

Mr. Finnigan: Brussel sprouts are bought on a contract. The contract was changed during the years. The first year we sold brussel sprouts to McCains, which was in 1959, we were receiving ten cents straight for our brussel sprouts. Last year we were receiving 13.5 cents and so on down the line, but at the end of the year when you average sprouts, they would come to about 10.5 to 10.2, I would say. So in a ten-year period the increase was only a very small percentage. This was probably what this question refers to. We had bargained this year for the sprouts and we did receive an increase in price.

Senator McGrand: Is the price a fair one, do you think?

Mr. Finnigan: The price is still low for what it costs the growers to grow brussel sprouts.

Senator McGrand: And then you have to send them all the way . . .

Mr. Finnigan: To Florenceville, which is 153 miles from here.

Senator McGrand: You say ten cents. Do you mean the bushel?

Mr. Finnigan: No, this is a pound.

Senator McGrand: Sorry.

Senator McElman: What is the new price?

Mr. Finnigan: The new price is 14.5 for the $\frac{1}{2}$ to and 13.5 for to an inch and a quarter, from an inch and a quarter to an inch and a half it is 12.5 and for an inch and a half and over, it is 5 cents a pound, so it takes a lot of those brussel sprouts to make a pound and it takes a lot of work to get them there.

Now, while I am here, I would like to mention something that was mentioned in a brief there about the agricultural coop in Rogersville, about the management. Now, any one of you who has had anything to do with different businesses, you know that an operation like Rogersville is operating two months in a year and you have got the overhead and everything that you have got to pay to keep it going. We had in mind this year to ask for help for management or a manager who would be paid, we would like to have a manager who would be paid yearly who could, after the operation is done in the shop, in the coop itself, could go and work with the farmers to help them organize themselves, to help them prepare for another year. We have been told that in the very near

future they are going to go up to somewhat around 700 acres of sprouts, so McCains say. It is pretty hard for farmers who have not been to school like me, there, to go out and manage that thing properly. So we think that we should have help to have a manager paid either if the government could help us to organize this thing and I think after two or three years that it could work by itself.

Thank you. There is one thing that this guy is just mentioning to me here, that for the grading of the sprouts it is done by McCain's grader so sometimes there is dissatisfaction on that side too.

[Translation]

Mr. Rheal Drisdelle (Social Animator): I would like, if I may do so at this moment, make certain comments on the question put by Senator Argue.

I believe it is quite hard for the farmers to give a figure, an exact or round figure of the investment that should be made in the county of Kent or in the southwest of New Brunswick so that agriculture be restored.

Even if the Committee were to recommend something, you should not recommend that money be spent here and there without any planning in Kent county and among the farmers.

I think that before the farmers can tell us what the alternatives are that they would like to take, we should work with them, so they would know what direction to take. This aid, would have to be provided by persons who could come and work with the farmers without telling them what to do. It would have to be done by persons who would come and who would have the necessary information and with this information we could offer other alternatives to the farmers than social welfare.

Now, I would like to comment on another situation, that

is Mr. Irving's situation in the county of Kent. I think that Senator Michaud made certain comments in the newspapers a few weeks ago.

There are lands at Buctouche, St-Norbert, all along the coast which are bought by Mr. Irving at \$8, \$10 and \$12 per acre.

Often farmers who are in debt have to sell and Mr. Irving is quite aware of this problem.

I am wondering whether the provincial or federal governments could not establish a Board that would oblige a farmer who sells his land to non-farmers to appear before it. Thus, the opportunity would be given to farmers to buy this land or to the government and later, it could rent it to farmers, or to people who want to become involved in agriculture. At the rate things are going now, there will be no land left in all the county of Kent or it will all belong to Mr. Irving.

[Text]

Senator Michaud: Well, I think this concludes all the questions probably that the senators had to put up, so I want to thank everybody for their effort in coming here tonight before us at our invitation and to give us the benefit of their views.

[Translation]

I think that this ends the meeting which was very instructive for us all present here. I thank those who have made the necessary efforts to answer our invitation and to explain us the point of view of the farmers who are involved in agriculture. This is what we were looking for and this is what we obtained and we thank you very much.

The committee adjourned.

APPENDIX "A"

TABLE 1

Dynamics of Crop Acreages in Kent County

	No. Census Farms	Total Acreage	Improved Land		
			Total	Crops	Pasture
1931.....	3,088	309,111	111,468	81,439	24,469
1941.....	3,076	319,371	110,348	71,683	31,018
1951.....	2,328	267,334	91,027	61,760	23,512
1956.....	1,993	237,104	85,837	54,467	24,427
1961.....	1,103	178,187	63,108	37,997	19,936
1966.....	782	138,097	50,668	31,219	15,145
1971.....	401	86,194	32,576	17,840	10,294

TABLE 3

Climate of Eastern Shore—Kent County Region

	Kent	Frederic- ton	Annapolis Valley	Prince Edward Island
Degree days above 42°.....	2,700	2,800	2,950	2,750
Corn heat units.....	2,100	2,200	2,200	2,250
Avg. date last spring frost 32°	May 25	May 25	May 24	May 22
Avg. date first fall frost 32°..	Sept. 30	Sept. 23	Sept. 30	Oct. 5
Mean temperatures:				
—annual minimum.....	-15	-20	-10	-10
—January.....	18	14	22	18
—July.....	65	67	66	66
Annual precipitation—in.....	38	39	41	42

SOURCE: The Climates of Canada for Agriculture, The Canada Land Inventory, Report No. 3, 1966.

TABLE 2

Dynamics of Livestock Populations in Kent County

Livestock	1967	1968	1969	1970	1971	Percent Decline	
						Kent	N.B.
Dairy Cows.....	3,290	3,090	2,900	2,400	2,106	36	24
Dairy Calves.....	2,980	2,760	2,580	2,520	2,482	17	11
Beef Animals.....	3,830	4,000	3,790	3,330	3,383	12	(+3)
Hogs.....	1,680	2,960	3,340	3,470	3,420	(+104)	(+37)
Sheep and Lambs.....	2,700	2,480	2,150	2,070	1,893	30	34
Poultry.....	138,788	—	—	—	268,650	(+93)	(+27)

APPENDIX "B"

TABLE I

Farm Cash Receipts New Brunswick—5 year average 1968-1972

Commodity	Receipts (\$,000)	% of Total
Potatoes.....	15,290	27.8
Fruit and Vegetables.....	3,124	5.7
Field Crops.....	1,468	2.7
Cattle and Calves.....	8,293	15.1
Hogs.....	4,064	7.4
Dairy Products.....	11,063	20.1
Poultry.....	4,182	7.6
Eggs.....	4,201	7.6
Other Livestock & Livestock Products....	712	1.3
Forest and Maple Products.....	1,073	2.0
Deficiency Payments.....	1,456	2.7
Total Cash Receipts.....	54,926	100.0

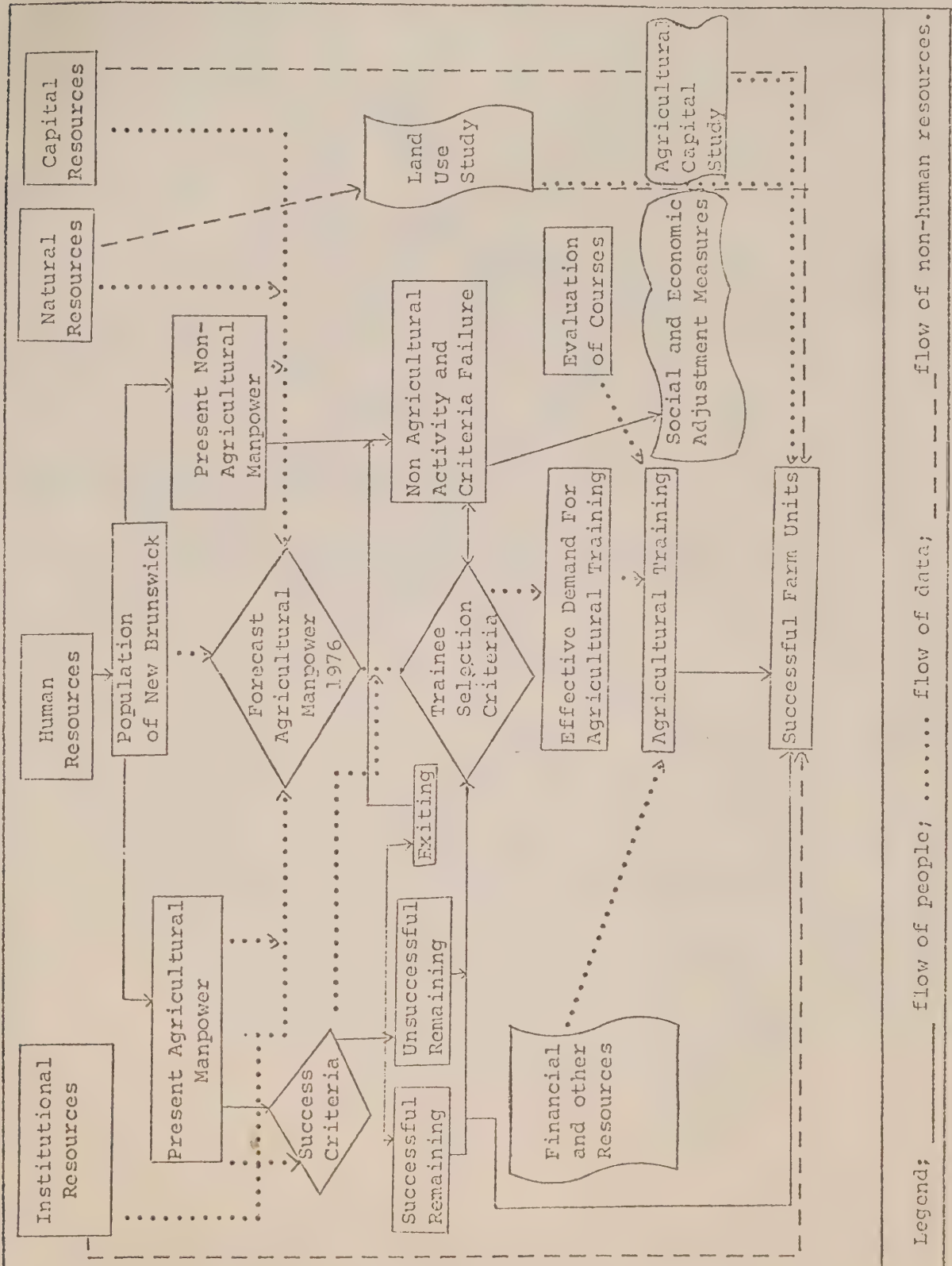
TABLE II

Census—Farms in New Brunswick by Economic Class—1971

Value of Agriculture Products Sold	No. of Farms	% of Total
Under \$2,500.....	2,864	52.2
\$2,500-\$4,999.....	786	14.3
\$5,000-\$9,999.....	657	12.0
\$10,000 and Over.....	1,160	21.1
Institutional Farms.....	18	0.4
Total.....	5,485	100.0

APPENDIX "C"

CHART I - Screening and Training of Agricultural Manpower (STAM) Model



APPENDIX "D"

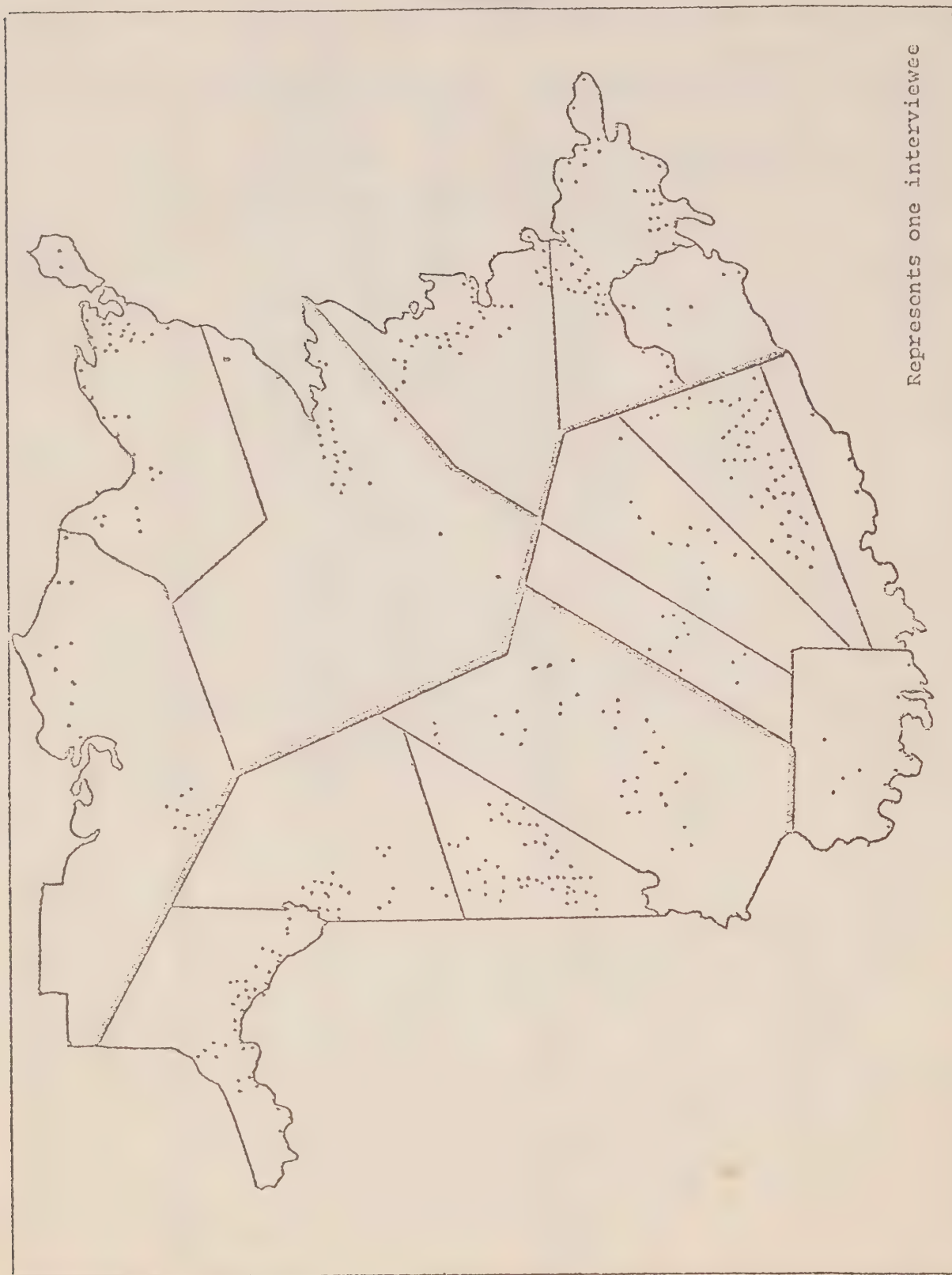


CHART - Distribution of Sample for Descriptive Study

APPENDIX "E"

TABLE I

Rank of Regression Equation Loadings*

Independent Variable	Dependent Variable		
	Income (Y)	Size (S)	Employees (N)
Properties within 1 mile (P_w)....	3	—	6
Properties beyond 1 mile (P_b)...	—	—	2
Consultations with accountant (C_A).....	4	—	1
Consultations with District Agriculturist (C_{DA}).....	—	2	—
Consultations with banker (C_B)..	1	5	3
Academic education (E_A).....	2	4	4
Agricultural education (E_{ag}).....	—	7	—
Short courses attended (E_{sc}).....	—	—	—
Further training desired (T).....	5	1	—
Further source of net income (Y_F)	5	1	—
Aspirations to agricultural training (Asp).....	6	—	—
Entrepreneur scale score (Ent)...	7	—	—
Size of decision-making unit (DM)	—	6	—
R^2	0.278	0.330	0.174

*Only coefficients which are significant at the 95% level are listed. The numbers refer to the step at which each variable loaded in a stepwise regression, thus C_B explains more of the variance in Y than any other variable. E_A explains the second greatest amount. etc.

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FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA

PROCEEDINGS OF THE
STANDING SENATE COMMITTEE ON

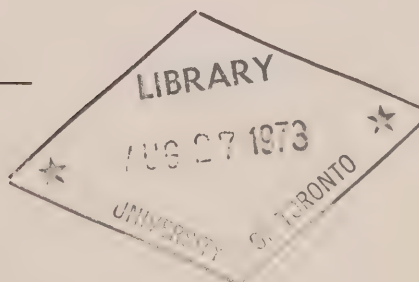
AGRICULTURE

The Honourable HAZEN ARGUE, *Chairman*

Issue No. 6

THURSDAY, JUNE 14, 1973

Third Proceedings on the Study of certain aspects of
agricultural problems in Eastern Canada



(Witnesses and Appendices:—See Minutes of Proceedings)

STANDING SENATE COMMITTEE
ON AGRICULTURE

The Hon. Hazen Argue, *Chairman.*

The Hon. Hervé J. Michaud, *Deputy Chairman*
and

The Honourable Senators:

Bélisle	*Martin
Benidickson	McElman
Côté	McGrand
*Flynn	Molgat
Fournier (<i>Restigouche-</i>	Norrie
<i>Gloucester</i>)	Petten
Haig	Phillips
Hays	Sparrow
Inman	Welch
Lafond	Williams
Lawson	

**Ex officio members*

20 MEMBERS

(QUORUM 5)

Order of Reference

Extract from the Minutes of the Proceedings of the Senate, March 28th, 1973:

The Honourable Senator Argue moved, seconded by the Honourable Senator Lafond:

"That the Standing Senate Committee on Agriculture which was empowered by the Senate on 22nd February 1973, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada: provided that no special expenses shall be incurred by the Committee without specific authorization by the Senate and full compliance with Rule 83A, and that all Senators shall be notified of any scheduled meeting of the Committee and the purpose thereof and that it report the result of any such examination to the Senate, have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purposes of any such examination; and

That the Committee, or any sub-committee so authorized by the Committee, may adjourn from place to place in Canada for the purposes of any such examination."

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier,
Clerk of the Senate.

Minutes of Proceedings

Thursday, June 14, 1973.
Morning Sitting
(11)

Pursuant to adjournment and notice, the Standing Senate Committee on Agriculture met this day at the Nursing Building, University of Moncton, N.B. at 10:08 a.m. The Chairman, the Honourable Senator Argue, presided.

Present: The Honourable Senators Argue, Benidickson, Fournier (*Restigouche-GloUCESTER*), Inman, Lafond, McElman, McGrand, Michaud, Norrie, Petten and Williams.
(11)

The following witnesses were heard:

On behalf of the *MEMRAMCOOK INSTITUTE*: Mr. Edouard A. ArsenaULT, Director, and Mr. Raymond Robichaud, Co-ordinator, Auxiliary Services;

On behalf of the *Farm Credit Association (Moncton)*: Mr. Bill West, Director, and Edmond Bourgeois, Supervisor of Small Farm Development Plan and Supervisor of FCC for Nova Scotia and Newfoundland.

During the question period, at the invitation of the Chairman, the following persons spoke or asked questions: Messrs. Albert Chambers, Zoel ArsenaULT, Raymond Robichaud and Edouard ArsenaULT.

Mr. ArsenaULT submitted, in support of his brief, twelve (12) additional documents outlining the courses given by the Institute. These have been retained by the Committee as Exhibits.

At 12 noon, the Committee adjourned until later this day.

Afternoon Sitting
(12)

The Committee resumed at 2:00 p.m. The Chairman, The Honourable Senator Argue, presided.

Present: The Honourable Senators Argue, Benidickson, Fournier (*Restigouche-GloUCESTER*), Inman, Lafond, McElman, McGrand, Michaud, Norrie, Petten and Williams.
(11)

The following witnesses were heard:

On behalf of the *N.B. Newstart, Inc.*: Mr. Harry Shorten, Director; on behalf of the *Clement Cormier High School Student Council, Bouctouche*: Miss Adrienne Léger, Vice-president-Elect and Mr. André Leblanc,

Vice-president; on behalf of the *Maritime Co-operative Services Ltd.*: Mr. Williard D. Dernier, General Manager; Mr. Charles Yeo, Director, Mr. J. E. Walsh, Director, Mr. Keith Russell, Manager Public Relations, Mr. W. F. Little, Manager Livestock.

During the question period, at the invitation of the Chairman, the following persons spoke or asked questions from the floor: Hubert Dupuis, Ulysse Léger, Delorme Cormier, Andrea Léger, Joe Labelle, Mr. Paradis, Jean-Paul Leblanc, Louis-Marie Melançon, Charles Goguen, Guy Leblanc, Jeanelle Leblanc, Rhéal Drisdelle.

In accordance with a resolution passed at a meeting held on Wednesday, May 23, 1973, the brief presented by Mr. Shorten is printed as an appendix to this day's Minutes of Proceedings (*See Appendix "A"*).

Mr. Shorten tabled, in support of his brief, a document entitled: "Canada Newstart Program—Appendix 'A', 1972-73 Annual Report." This document was retained by the Committee as an Exhibit.

At 5:30 p.m., the Committee adjourned until later this day.

Evening Sitting
(13)

The Committee resumed at 8:00 p.m. The Chairman, The Honourable Senator Argue, presided.

Present: The Honourable Senators Argue, Benidickson, Fournier (*Restigouche-GloUCESTER*), Inman, Lafond, McElman, McGrand, Michaud, Norrie, Petten and Williams.
(11)

The following witnesses were heard:

Representing *The New Food Products Co. Ltd. (Rexton, N.B.)*: J. Paul Leblanc, General Manager;

Representing *Rabbit Ranchers Enterprises (Rexton, N.B.)*: J. Paul Leblanc on behalf of Roger Vautour, President;

Representing *J. D. Irving Ltd.*: Dave Oxlay, Woodland Director;

Representing the *Fédération des Caisses Populaires Acadiennes*: Mr. Martin Légère, Director.

During the question period, at the invitation of the Chairman, the following persons spoke or asked questions from the floor: Messrs. Albert Chambers, Ulysse Léger, Mr. Jean Cadieux.

The Chairman raised a question of privilege in connection with an article by the *Canadian Press* which appeared on page one of *The Moncton Transcript* of Thursday, June 14, 1973. After making a statement, the hearings continued.

In accordance with a resolution passed at a meeting held on Wednesday, May 23, 1973, two charts and one table appended to J. D. Irving Ltd.'s brief are printed as appendices to this day's Minutes of Proceedings, (see Appendices "B", "C" and "D" respectively).

At 10:45 p.m. the Committee adjourned to the call of the Chairman.

ATTEST:

(Mrs.) Aline Pritchard
Patrick J. Savoie
Joint Clerks of the Committee

The Standing Senate Committee on Agriculture

Evidence

Moncton, Thursday, June 14, 1973

The Standing Committee on Agriculture met this day at 10.08 a.m. to study certain aspects of agricultural problems in Eastern Canada.

Senator Hazen Argue (*Chairman*) in the Chair.

The Chairman: It is just after ten o'clock and we will proceed. I believe we were all pleased with our session yesterday. We had the government officials initially, and then we had representatives from various local organizations. I am sure that we have obtained a lot of useful information and that today's session, combined with yesterday's, will go a long way towards enabling the senators to draft a report that will be of assistance in improving the agricultural situation in Eastern Canada.

Our first witness this morning is Mr. Edouard Arsenault, the Director of the Memramcook Institute, an educational institute. I believe he has with him a number of officials of the Institute, and I would invite him and the coordinator of auxiliary services, Raymond Robichaud, and Alcide Gagnon to come forward.

So, without further ado, I would like to introduce Mr. Edouard Arsenault, the Director of the Institute.

[*Translation*]

Mr. Edouard Arsenault, Director of the Memramcook Institute: Honourable Senators, the staff of the Memramcook Institute is pleased on this occasion to submit to you for consideration some of the programs presented to the French-speaking population of the Maritimes.

Allow me, first of all, to introduce to you the persons who are with me: at my right, Mr. Raymond Robichaud, researcher, animator and a teacher at the Institute; beside him, Mr. Alcide Gagnon, Assistant Director and controller of the Institute; and, in the audience, we have Mr. Zoel Arsenault whom you met last night.

Mr. Zoel Arsenault is here today as the manager of the farm of the Memramcook Institute, advisor in agriculture and part-time teacher for the farmers' courses.

He is the manager of a farm that has one of the best dairy herds in the province.

You know that in the Atlantic Region of Canada, these are no school or institute where the French-speaking farmers, their sons and other persons interested in farming, could take courses or training in their mother tongue.

The Memramcook Institute will probably be able to fill in this void.

[*Text*]

The answers to all questions the members of the Institute do not attempt to have, but we do firmly believe that one of the master keys to finding the answers is education—education in the sense of the development of the whole personality of the individual, education that begins by developing in the so-called under-educated farmer, fisherman or labourer a belief in himself, a belief in his own worth as a person. From there on it is a matter of building upon the inherited and acquired characteristics of this individual the attitudes and skills which he will require to carry out his daily tasks.

It is an old cliché that traditionally the boy who does not have an education stays behind to carry on with the family farm, while the one who has completed his schooling goes to the city to become a tradesman, a government employee, a businessman or a professional of some sort. This tradition may be disappearing in many areas, but I feel that it has been and still remains a major contributing factor to the depressed condition of agriculture in Eastern New Brunswick.

D. N. Fader, in his book *Hooked on Books*, says:

The poorest man in the world is a man limited to his own experience, the man who does not read.

I believe that the vast majority of those persons in agriculture in Eastern New Brunswick are people who do not read, and they do not read for the very simple reason that they don't know how to read, they don't know when to read and they don't know what to read. The people who will solve the problems of the farmers are the farmers themselves, but they will only be able to solve their problems when they learn to recognize them. They will always need the support of the expertise provided by the agronomist, the engineer, the economist and marketing specialists. But they themselves must be sufficiently well informed and motivated to be able to judge when, where, how and why they need the advice of the expert. Then, and only then, will the advice and information be put to its proper use.

There is an old saying "You can lead a horse to water but you can't make him drink". Until the farmer realizes that he needs information and is motivated to use it, it will not be used.

Ladies and gentlemen, I am now going to call on Mr. Raymond Robichaud to read the brief, a very schematic document, which we were able to put together in the limited time at our disposal.

[Translation]

Mr. Raymond Robichaud, Co-ordinator of the Auxiliary Services: Mr. Chairman, Honourable Senators, ladies and gentlemen, the Memramcook Institute, founded in 1966 is a residential centre for adult education.

Located in the St. Joseph Village, 15 miles from the City of Moncton, the Institute took up the buildings and lands that, for more than a century, were used by the St. Joseph College and University and for some years by the Agricultural School of St. Joseph.

The first year, the Memramcook Institute, in consultation with the agronomical service of the New Brunswick Department of Agriculture, and with the financial support of the Department of Labour organized the training school—for the farmers of the province.

This training seems to have given good results but if we had them more often, sort of a regular follow-up, its success would have been stronger.

Nevertheless, the Memramcook Institute staff is strongly interested in agriculture and wants, through this brief, to tell the members of the Standing Senate Committee on Agriculture that they really want to contribute, with the resources they have, to the promotion of the agriculture industry in general and to the social and economic promotion of all the persons associated to it. Mr. Edward Arsenault signed this brief.

There is a mistake in the table of contents.

First, the introduction, the basic data of the problem, the Memramcook Institute resources, the long-term objectives of the agricultural training program, the short-term objectives, the condition of realization of the objectives.

This brief, which could rather be called working paper, deals with the needs and short comings in the field of agricultural education offered by the Memramcook Institute to fill these needs.

The first part defines the basic data of the problem brought out from official and reliable sources.

Then, four points will be briefly presented to you: the Memramcook Institute resources, the long-term objectives of the agricultural training program, the short-term objectives of such a program and the conditions for the realization of these objectives.

Basic data of the problem: educational deficiency towards the farmers:

[Text]

The low level of education is one of the main problems facing agriculture today especially among the low income farmers "(1) "The Agricultural Situation Kent County N.B., Appendix to the Proceedings of the Standing Senate Committee on Agriculture, Issue No. 3 dated May 22, 1973, Study of certain aspects of agricultural Problems in Eastern Canada.

[Translation]

According to this source, the 1961 Census data indicated that 63 per cent of the New Brunswick farmers went up to Grade 5 and 11 per cent of them went to high school. On the other hand, research made in 1971 in New Brunswick, on the training needs of the agricultural manpower showed that in a group

of 273 persons who had taken the short course on agriculture in the northwestern part of the province, and of which only 60 per cent had answered an evaluation questionnaire, the average education was Grade 7.

Agricultural manpower training needs: Report by Louis Philippe Albert, Elliott R. Kaiser, Fredericton, New Brunswick, Department of Agriculture.

Lack of training in the operation, marketing and agricultural technology areas:

[Text]

The interest and capability of the people to operate and manage farms of an economic size employing modern technology must be established... no matter how much land is available, if the management capability of the farmers is inadequate or lacking, there can be no real lasting progress toward developing a viable agriculture.

[Translation]

The reference is in *Agriculture Situation*.

Also, in the conclusions to the report on the "Training needs of the agricultural manpower", the same thing is suggested where it is said:

[Text]

We believe that a significant contribution can be made towards that objective to increase the contribution of the agricultural sector to the Gross Provincial Product, through improved managerial abilities of the farm operators and improve resources to manage, including the farm labor component.

[Translation]

Changes are needed at the level of the courses that have already started and of agricultural training in general.

The authors of the report on the "Training needs" point out this aspect in the following remark:

[Text]

It is interesting to note that the number of short courses attended has not as yet contributed significantly to success for the 420 farmers interviewed. This does not mean that short sources are useless, however, but it does cast doubt on the types of courses that have been presented and the heavy reliance in the past on short courses for farm training. It appears that some changes in the courses and in the total agricultural training program are necessary if we are to continue training farmers through this method.

[Translation]

The need to use to advantage the most up to date education principles and to develop techniques for the transfer of knowledge between course participants:

[Text]

In order to transfer information and "knowledge" from a teacher to a group of "students" within a short time, the most up-to-date adult education principles must be used to advantage. Some techniques should also be explored in

order to make possible the transfer of knowledge between course participants.

[Translation]

The need to respect the preferences of the participants as regards the language of instruction:

[Text]

The language of instruction should be in accordance with the preferences of the participants.

[Translation]

The somewhat specialized courses designed for commercial farmers should be centralized and the more general courses designed for non-commercial farmers should be made accessible at the local level.

[Text]

The commercial agriculture courses should be centralized and furnished with some of the latest equipment for each subject matter.

"The non-commercial agricultural courses should be made available at the local level. Limited facilities are required for such courses and portable audio-visual equipment may be sufficient"

[Translation]

The need to establish one or several model farms in the immediate neighbourhood of the disadvantaged farmers, for example, those in Kent County. In this regard, I should like to quote the Honourable Senator Michaud:

[Text]

Those people are so depressed in their poverty that, [as Senator Michaud says,] they probably do not even know that there is a research station over there.

[Translation]

That is, in Fredericton.

[Text]

They are researching for their bread and butter; that is all.

[Translation]

The need of specialized courses in the following fields: the dairy industry, stock raising, bookkeeping, general farming, potato farming and farm machinery. According to the report on "Education Needs", these were the courses which seemed to be the most in demand among those interviewed.

Resources of the Memramcook Institute include the installation and experience of an adult education centre. Since 1966, when the Institute began working in this field, it has tried to reach its first goal, which was to create and organize an adult education program.

From the very beginning, the Institute worked on developing a detailed program of basic training for adults. This program is the result of research and experiments which have made it possible for them to develop certain methods, to check certain theories and to try out different teaching materials.

Many groups have long since been convinced of the program's worth.

These years of experience have also made it possible for the Institute to gather together a large number of documents, and to provide for itself auxiliary services such as a library, audio visual installations, the creation of premises which can be used for many purposes, recreation facilities, facilities for sports and leisure purposes, etc.

Lastly, the Institute has provided training, and is still doing so, for groups from all backgrounds and all levels of society, whether they be English-speaking or French-speaking. This last point should be noted, since, to our knowledge, there does not exist any other educational centre for French-speaking farmers in New Brunswick or elsewhere in the Maritimes.

The availability of a farm which could be transformed into a model farm. The experienced personnel of the Institute, its well-functioning buildings, its many acres of land and modern equipment, its dairy herd and its ideal situation could easily help make it into a model farm which would serve the farmers of the Trent and Westmorland region.

Access to resource persons: because of its experience in its field of adult education, the Institute believes in calling upon resource persons and specialists in different fields, according to need. This is why it has at its disposal experts who can reply to the needs of certain groups. This is how it would work in the farming field, and, for some courses, there could even be some co-operation with other institutions, such as Moncton University and the Institute of Technology.

The possibility of further extending the teaching being offered: In the last few years, the Institute has tried to fill a need which it always knew was there, but which it was not always able to fill. This need was that of offering its services and resources to groups outside the region, where those in need of those services and resources could make better use of them in their own locality. This was the reason behind sessions recently being held in Chêticamp and Edmunston, and for this same reason a team of teachers give courses regularly at the Dorchester and Springhill penal institutions.

Long-term farm training program objectives: An occupational training program in the agricultural sciences.

This program would offer students a chance to take courses at the secondary or post-secondary level, with a special emphasis on careers in farming, for example, in production, processing, farm services, agricultural commerce, etc. In its present form, this program could be spread out over a three-year period, becoming a course in agricultural technology with a specialization in the various aspects of the farming industry, after the first year of general training, in which the accent will be on communication, that is, language, mathematics and the agricultural sciences.

Accelerated manpower training programs: By organizing as soon as possible intensive training programs in certain priority fields for the region, and in cases where there is an urgent need of specialized labour.

A pool of experts for the region being served: The formation of a council or committee of experts made up of trained personnel working for the Institute, government services representatives and specialists from various fields and different successful farms, which council or committee would be of easy access for short and long-term solutions to problems. This would be a necessary and complementary step to the follow-up period.

A clearing house of agricultural information: A data centre, on the regional, national or even international scale, would be necessary if we wish to keep up to date with the various developments in the agricultural field. Only a centre with the capacity of collecting this information and making it accessible to farmers by popularizing it could be truly efficient. Such a project should be considered in the context of a long-term perspective but it should be begun as soon as possible.

Short-term objectives: An initiation program to farm management the main intent of which would be to make the greatest possible number of farming business directors aware of how necessary it is to efficiently control their business and apply dependable principles of administration. More advanced courses of agricultural management for the administrators of commercial farms, dealing especially with a knowledge and an application of the principles of good management, with respect to their own businesses. Short courses seeking to increase awareness of the values of agriculture among those already in the farming business and those who, directly or indirectly, could be interested in it. These "increased awareness" courses would include, among other things, visits to farms having achieved different degrees of success.

A program of popularization and transmission of information on all agricultural policies effecting farmers.

A committee dealing with the orientation of agricultural education, made up of—there is a gap in the text here—among others, of Institute personnel, farmers, advisors to Ministers of Agriculture, which committee would see to planning short and long-term agricultural training programs.

An inventory of agricultural resources and farm specialists in the region, and the communication of this information to those concerned.

Conditions for these goals to be reached: Recognition on the part of the provincial and federal Ministers of Agriculture and on the part of the Department of Education of the special status of the Institute in farm training.

The assurance of the collaboration of the different government organizations and agencies;

Operational grants for the program as a whole and special grants for the conversion of the Institute farm into a model farm;

The establishment, as soon as possible, of the committee for the orientation of agricultural training proposed in the short-term objective.

In conclusion, we are aware that such a study leaves many questions unanswered, and that we have only touched upon the numerous aspects of agricultural education.

For example, there is the whole question of co-operation in farming from which we expect a great deal, and the question of co-operative education, which we have been studying for some time now, but which we have not spoken of here. However, we hope, that your questions and a longer and more detailed study of this situation will make it possible for us to fill in the gaps. The authors of this brief and all the personnel at the Memramcook Institute offer you their respects, gentlemen.

The Chairman: Thank you very much. I just might as a question here. Is there any institute at all in the province or handy to the province for adult education in agriculture now? Are there any facilities whatsoever?

Mr. Arsenault: There is nothing being done in the province.

The Chairman: There is an institute in Nova Scotia?

Mr. Arsenault: There is an institute in Truro. There is not one in New Brunswick and there certainly is no French-speaking institute. Any French-speaking person in New Brunswick who wants to go to an agricultural school where he can get instruction in his own language, has to go to Quebec.

The Chairman: And is your Institute bilingual?

Mr. Arsenault: Completely bilingual.

The Chairman: Any other questions?

Senator McGrand: Someone mentioned that they don't know how to read. Now, I am afraid you give the impression that illiteracy is high and I don't believe it is any higher here than it is in any other part of New Brunswick.

Mr. Arsenault: It is not that high, but illiteracy is a very relative thing in my mind. They can perhaps go through a document but not necessarily understand what they are reading.

Senator McGrand: It is left to themselves?

Mr. Arsenault: That is right.

Senator McGrand: What would you replace the short courses with? You say the short courses are rather useless. What would you replace them with?

Mr. Arsenault: They are not useless, but the problem, I think, is that the short courses are just a sort of a plaster applied now without any provision for follow-up. It is all well and good to give a group of farmers a five-day course in farm management, but unless there is some follow-up to see that they have thoroughly understood the principles involved and are applying them, it is more or less a waste of time.

Senator McGrand: Are you from Kent or Westmorland?

Mr. Arsenault: I am living in Moncton, I am working in Westmorland and I was born in Kent County.

Senator McGrand: I got the impression last evening that only seven farmers in Kent County have milk quotas, is that right?

Mr. Arsenault: That is what I heard.

Senator McGrand: That seems to be unusual. What would you say are the major steps that should be taken if Kent County is to retain the agriculture it has today?

Mr. Arsenault: Well, Senator, I may be biased because I am in education, but I think the major step is to start with education and motivation. We have had experiences. Fishermen and other people from my staff have come in since I introduced them. But we have some people here who work with the fishermen. We started the Memramcook Institute in 1966, and for the next year or so the fishermen along the shore here had no organization whatsoever and they were always looking for handouts and they were always complaining. We organized short courses. Every year we had a group of fishermen in for two, three or four weeks. As a result of that the fishermen are now looking after themselves. They are organized and they are working cooperatively. We feel very strongly that the farmers should be given the right type of information

and motivation. These people feel that they are on the low end of the totem pole and everybody looks down on them.

Senator McGrand: That is why they spoke up last night.

Mr. Arsenault: Yes. Everybody looks down on them. There is a great deal of very valuable talent hidden among these people but they can't seem to find the key to use it. They don't have enough confidence in themselves. But once you build up this confidence you change their attitudes towards themselves first, and then they begin changing their attitudes towards each other and then I think you begin to see some improvement.

Senator McGrand: You say you are an educationist and not a farmer, but do you believe that it is necessary in Kent County to have a 500, 600, 700-acre farm or is it possible that agriculture can survive and even flourish in Kent County on something less and tell me how you can do it?

Mr. Arsenault: Oh, that is a big order.

The Chairman: He wants to get educated.

Senator McGrand: You talked about model farms. Now, what should be the acreage of the model farm?

Mr. Arsenault: Well, we referred to the model farm here not really as a model farm but as a series of demonstration farms—farms where farmers can get information, practical information, where the basic principles have been applied. I see the Memramcook Institute farm, which is a dairy farm and one of the best, if not the best, in the province, as one demonstration farm. But there are hog raisers, and there are poultry raisers. In fact there are all kinds of other farmers who are successful in Kent and Westmorland Counties and elsewhere in the province.

Senator McGrand: But they are big scale.

Mr. Arsenault: There are some small-scale ones too.

Senator McGrand: That is the man I am after, that is the man I want to see, the small-scale farmer. How can you get him to survive? This idea that you have to be big . . .

Mr. Arsenault: You can be small and successful and efficient, but if you are surrounded by failures then you are sort of isolated in a group of failures. But if you can build up a number of successful small farmers around you . . .

Senator McGrand: A community.

Mr. Arsenault: That is right.

Senator McGrand: There is future in Kent County for that sort of farm.

Mr. Arsenault: Yes.

Senator McGrand: I agree with you.

Senator Norrie: Mr. Arsenault, are there any young people in Westmorland and Kent going to Truro to the agricultural college?

Mr. Arsenault: There are very few. Mr. Zoël Arsenault's son went a couple of years ago. He is now studying veterinary medicine, but at that time there were only two or three from this area who were there.

Senator Norrie: How does that compare with the whole of New Brunswick?

Mr. Arsenault: There are not very many from New Brunswick. I went over the list in the calendar for the Truro Agricultural College some time ago and I would say probably 40 or 50 from New Brunswick attend at Truro.

Senator Fournier (Restigouche-Gloucester): And how many of those are French-speaking?

Mr. Arsenault: French-speaking, you could probably count them on the finger of one hand.

Senator McGrand: This is what, Laval?

Mr. Arsenault: No, the Truro Agricultural School, Nova Scotia. It is affiliated with Guelph, I believe.

Senator Norrie: MacDonald.

Mr. Arsenault: I am sorry, MacDonald.

Senator Fournier (Restigouche-Gloucester): Do you believe that if they taught in the French language there would be more French-speaking people going there?

Mr. Arsenault: I think the French-language barrier is definitely a factor.

Senator Fournier (Restigouche-Gloucester): Is there any financial help to go to Quebec, for instance?

Mr. Arsenault: I don't know whether the provincial government provides any financial assistance to study in the province of Quebec or not. Would you know?

Mr. Zoel Arsenault: Not as far as I know.

Senator Fournier (Restigouche-Gloucester): There used to be a course held for B.Sc.s., B.Sc.As. or agronomists. I am not sure if it still is.

Senator McElman: There were bursaries.

Senator Fournier: There were bursaries, yes.

Senator McGrand: You say there are about forty from New Brunswick going to Truro?

Mr. Arsenault: I would not be certain.

Senator McGrand: And that has been going on for years and years and years since I remember. How many of those fellows, when they graduate, come back and try to make a living on the land?

Mr. Arsenault: I would not have a clue at all.

Senator McGrand: I would like someone to tell me because that seems to be the trouble: They don't come back.

Mr. Arsenault: If I could use something in the way of comparison, at St. Joseph's for a number of years there was a French-language agricultural school. It held short-term courses for young men and those who completed that course, or a large number of those who completed that course are the people who are relatively successful farmers today in Westmorland, in Kent and in other areas of the province and we have one example right here.

[Translation]

Senator Lafond: Why has that school been closed down?

Mr. Edouard Arsenault: That is a kind of mystery. There are many factors who contributed to the closing down of the

school, but frankly, I could not give you all of them. One of those factors would be the difficulty to enroll people.

Senator Lafond: To enroll teachers or students?

Mr. Edouard Arsenault: To enroll students. I have some opinions that could qualify this.

Senator Lafond: Thank you, I will not insist.

[Text]

Senator Norrie: Mr. Arsenault, is there any school where a veterinarian can get a training in French?

Mr. Arsenault: I don't know of any.

[Translation]

A veterinarian course in French?

Mr. Zoel Arsenault: In the province?

Senator Michaud: In Canada.

Mr. Zoel Arsenault: There is one in St. Hyacinthe, Quebec.

[Text]

That is the only one in French.

Senator Norrie: What is the name of the college?

Mr. Zoel Arsenault: St. Hyacinthe Agricultural College.

Senator Norrie: Do many go there from here, do you know?

Mr. Zoel Arsenault: Two or three probably.

The Chairman: Other questions?

[Translation]

Senator Michaud: Yes. Mr. Arsenault, if you will allow me, I think that the presentation you have made this morning was very appropriate. It brings us an answer to one of the main agricultural problems in our French agricultural areas of New Brunswick, that is the problem of education.

It has been much stressed yesterday, this morning, the press thought the moment was timely to outline this point, and I had the opportunity to realize that one of the most serious problems now facing us in our areas was the recruitment of staff that is needed to take the place of those of our agronomists who are at the age of retirement.

I think that one of the big problems in this question of recruitment, in New Brunswick, is of an academic nature. The graduates from the regional schools, what we call in French "polyvalentes" (camporite schools) the English-speaking graduates can immediately enter the agronomic course of The Truro Agricultural School, which, as it has just been outlined, is affiliated to McDonald College; in other words, this allows them to begin the agronomic course immediately after their course.

For the French schools of New Brunswick, it is different, since the graduates cannot gain admission to the agronomic school of Laval.

I corresponded with the Secretary of the Agronomic Department of Laval's Agronomic School, and Mr. Chartrand, the Secretary, told me that what would be required from the graduates of our schools in New Brunswick, would be the

degree equivalent to the Quebec "CEGEP", but, if my understanding is right, there is a difference of about two years between the required qualifications for the CEGEP degree, and those of the degree that is given in our New Brunswick "polyvalentes".

I repeat that this is the most important factor in this question of finding, among our young people, the relief that is needed to ensure continuity of this kind of work. I congratulate you for the presentation you have made this morning, and I repeat that I am seriously wondering if you have not presented to us this morning the hope of the solution that is needed here in the French areas of New Brunswick, which affects not only the vicinity of your institution, the Westmorland and Kent region, but also the whole east of New Brunswick, including Madawaska and Restigouche counties.

Senator Michel Fournier (Restigouche-Gloucester): Mr. Chairman, yesterday, the Deputy Minister, Mr. Gilbert, has been questioned on the number of French agronomists, French speaking, or bilingual, and I do not think that his answer was satisfactory, since he gave no number.

So, last night, I made a little research and I discovered that during the last five years, we have lost, because of death or retirement, 10 B.S.A. agronomists.

We have now in the department six B.S.A. agronomists and two technicians. This is to say that the relief is not there, probably because there are no substitutes in schools.

Now, I think it is at least necessary to have technicians, if we do not have agronomists, but many of those who are now working are going to retire within a few years. I just do not know what is going to happen in such a situation?

Mr. Edouard Arsenault: If you allow me to make one comment.

In answer to Senator Michaud's comment, and this maybe follows Senator Fournier's comments, that is, precisely, that we consider the Memramcook Institute as maybe offering the key, or a centre where could be discovered, if you want, the interest of more young people in an agricultural career.

I am personally convinced—I may be dreaming a little bit—but I am convinced that there must be even townsmen, young people from the cities, who, if they knew agriculture, could be interested to make a career in agriculture.

We expect maybe too much too often of the rural people, of the farmers' sons, in thinking that they will enter agronomic courses or veterinarian courses, etc.

There may be town people who would enter agriculture if they knew it.

But, while talking with some people at the end of the evening last night, I heard the comment that the career counsellors of our schools almost never talk of agriculture, and if they do, it is probably without the enthusiasm that they would need to communicate to these people an interest, at least the curiosity to get information on agriculture.

Mr. Robichaud: Mr. Chairman, I would simply like to add a comment to the question of the attitude towards agriculture.

A farmer told me recently—and I found the comment very adequate—that young people do not lust after agriculture because the other trades, the plumbers, the carpenters, earn \$4 or \$5 an hour, and the farmer may earn \$2 or \$3 an hour, if he wakes up at 5.00 a.m.

This is just to show that we must change the thinking. The farmer who earns \$3 an hour may end his career with a domain that is worth \$45,000 or \$50,000, but the carpenter or the plumber has not necessarily acquired some wealth in his trade, that is to say real estate.

We have to change an attitude, and I think that Mr. Arsenault's example about fishermen is valid for the farmers.

When we talk of courses for fishermen, it can go up to 15 weeks, and during these 15 weeks, they will not only talk technical things about the sea, they will talk the whole behaviour regarding fishing and that was mainly aimed at these people's thinking.

Our young people do not want to get into agriculture, because it is less attractive from a financial angle, and seem to ignore many values, someone has neglected to teach them these values, in school or somewhere else.

In this view, I think that the short courses, or abbreviated courses, where people enter the institute for one week or a weekend for a bookkeeping course, are not as excellent, because the thinking is left untouched.

When I think of a shortened course, it can be two weeks, three weeks, and up to fifteen weeks, which could add a complimentary humanism in the course, that is to say what we could call the "life skill" or in other areas than agriculture, and I think change this mentality, but it is true for most of the short technical courses that have been installed.

[Text]

The Chairman: Mr. Albert Chambers had a question.

Mr. Albert Chambers: We are talking about young people and their education and getting then interested. I realize you are dealing with adults occasionally giving education to someone who should have had it earlier—but basically the question is how to get the younger people to come into it. Do you have any ideas along that line, because I think that process should be started before you get to the adult stage.

Mr. Arsenault: Yes, there are some changes in attitude that have to be brought about in the ethereal places in government. If I may be allowed an example in my own career, back in 1948 I was offered or asked to take the principalship of a regional school in an agricultural area but I was told "You have to have specialization in agriculture to get this position. We would like to have you take it, but you will have to have some agricultural courses". So I left the job I had, borrowed the money and went to agricultural school for a few months. While I was there I wrote to the Department of Education asking for the program of studies in agriculture in the schools and the answer came back "Sorry, we don't have any." I don't think they have developed any since then and that was 1948.

Senator McElman: You are right.

Mr. Arsenault: I could be very wrong but I think there is a great deal of change that has to be made in the thinking of policy-makers at government level, and I don't think that it is a very easy job to do.

Mr. Chambers: Is there any local pressure for agriculture education? Is there any local pressure? If there was greater community input would this be a demand on the curriculum?

Mr. Arsenault: I think the sittings of this Committee will probably arouse more grass roots pressure for the development

of some sort of policy in agricultural education than there has been up to now. I think it will probably arouse a lot more interest. I think there are some farmers who are members of school boards, for instance, who are beginning to be concerned and who are putting the pressure on school boards to get some agricultural education into the high schools.

Mr. Chambers: Do you see it as being an agricultural kind of course in the curriculum or a reorientation of most of the other courses like world history, and so on? Most of the history in the schools deals with fur trading and timber and things like that, rather than the positive aspects of agriculture.

Mr. Arsenault: It should definitely deal with the positive aspects of agricultural development. I will have to wait to see before I am convinced that there will be any great changes brought about by these programs. I am skeptical.

Senator Inman: Mr. Chairman, I would like to ask Mr. Arsenault a couple of questions. Do you believe that demonstration farms are a help in the farming community? I do believe it. What is your thinking on that?

Mr. Arsenault: I think very definitely they are, but it is a pretty delicate situation. If, for instance, we at the Memramcook Institute have what we believe to be a very successful dairy farm, and if we attempt to use this as an example to the farmer who is trying to get ahead in dairying, his reaction will be "Oh, it is all right for you people, you have lots of money",—which actually we don't have,—"you are a big establishment". It perhaps has a tendency to turn him off as much as turn him on.

Senator Inman: I mean the small man. For instance, I know communities in my own province, Prince Edward Island, where one farmer gets a little help from the government. It is a demonstration farm and it encourages, I think, his neighbours in that district. I just wondered what you thought about that.

Mr. Arsenault: I think they have a very definite role to play. There is a great deal of the spirit of independence to be overcome, and there has to be built up a feeling of mutual help among the farmers before you can get the maximum out of using any given farm as a demonstration area. If you use this farm this week and another farm next week, and you get everybody involved, then everybody does something better than the other guy. If you can capitalize on that—what did the song used to say—"Accentuate the positive"—I think if we can accentuate the positive on any farm, then we can get to build up a spirit of cooperation.

The Chairman: But your demonstration farm need not be, as I think you have in your mind, a model farm.

Mr. Arsenault: No.

The Chairman: It might just be a demonstration area that is one field. One practice in one field would be the demonstration. That would not generate, I think, the same kind of opposition or envy that a lovely, model farm would.

Mr. Arsenault: That is right.

Senator Inman: That is the kind I mean. My other question is, what percentage of your students do you judge to be interested in farming as a future?

Mr. Arsenault: Well, we operate a very peculiar operation. We have a number of basic education students. This is a continuing program but apart from that, most of our programs

are short-term programs and we don't have anybody there full-time. But our basic education students come in to us through the Canada Manpower offices and they are mainly oriented towards trade training. You see—and this is one of the points I was discussing last night—if Canada Manpower and the Departments of Education and so on, were to give the same type of financial aid to students who want to study agriculture, we would probably not have the situation that we have today, but if a young man goes into a Canada Manpower centre and asks for trade training and he doesn't have the necessary prerequisite to get into trade training, they will buy upgrading for him. This is the type of thing we are doing. We are doing the upgrading. If there existed in the province an agricultural school of some sort, it is quite likely that the same type of thing would happen, that is to say we would get a certain number of students through Canada Manpower offices to take agricultural courses.

The Chairman: Well Senators I have two Senators still on my list.

Senator McGrand: You can take my name off.

The Chairman: Then we will go on to the next question. Senator Michaud?

[Translation]

Senator Michaud: What I was going to say at that time was just to continue my remarks of a few minutes ago. At the present time, according to the information I obtained from Laval University, there is only one French speaking student from New Brunswick at the Laval-affiliated institute. There was none for six years, and now there is only one.

This can be explained by the situation we wanted to explain a moment ago: when a student has graduated from a composite school, he is not admitted to university because his degree is not equivalent to the community college degree. There is 2 years difference. Then, rather than losing 2 years, and if he decides to make a career out of agriculture or agronomy, he has to go to Truro. But this is not the way to assure a relief.

A French-speaking personnel is in great need, here, in New Brunswick, for the education of the population. I think that your Institution could very well fill the gap, by giving, at the secondary level, here in this province, these French courses which are necessary in the education area.

Mr. Edouard Arsenaault: We are willing to do it.

[Text]

Senator Norrie: Are you good-natured this morning? Could I just say one word? Just following Senator Michaud, could we not in the farming life have an apprenticeship, similar to plumbing and electricians and such, and they might serve a certain number of months or maybe a few years, when the boys or girls are young and they could go to farms and learn techniques that they would not otherwise know? You mentioned something about going from the cities to farming life. They just can't jump from the city to a farm and know what to do unless they have an opportunity like this. I would just like to throw that in. Thank you, Mr. Chairman.

The Chairman: Thank you very much, Mr. Arsenaault, Mr. Robichaud and Mr. Gagnon. I am sure it was an educational brief and I am sure parts of your brief will wind up in our report.

Our next witness is from the Farm Credit Association in Moncton, Mr. Bill West, the director. I would ask Mr. Bill West and his assistant Mr. Bourgeois to come forward. I think those of us connected with farming realize that one of the most important ingredients in a successful farm is capital—capital that can be repaid over the years and at a reasonable rate of interest. So I think that we have a very important witness with us this morning and it is my pleasure to call on Mr. West at this time.

Mr. William West, Director, Farm Credit Association, Moncton: I believe there was a suggestion made by the Chairman that we make ourselves available for questioning and we appear for this purpose. If you have any suggestions as to how you would like to approach us, we would be glad to cooperate in any way possible.

The Chairman: Most of us know nothing about the Farm Credit Association operation in this context, although we have some general knowledge. I think if you would just go over your policies and your program and the number of loans you have made and just make a general statement and we will pick it up after that.

Mr. West: Right, sir. Our corporation replaced the Canadian Farm Loan Board for all practical operational purposes starting in 1960. I refer to Kent County particularly in these figures I am about to quote, and I can leave a copy of this with you if you care to have it. During this period we have had 87 applications for loans, and we have approved mortgages for 63 of the 87 in the amount of \$876,600. There is no particular year where there was any great increase except in 1967 when there was quite a little tobacco promotion and that was our heavy year, as far as Kent County was concerned.

Percentages are sometimes meaningful and sometimes not. If you will look at the percentage of declines in Kent County during that period, they were 27.6 per cent. In the province during the same period, taking the whole province, the declines were 15.8 per cent. I think most of you are familiar with the fact that our legislation has changed in limits on several occasions since we started in 1960 with maximum loans of \$20,000. They are now up to \$100,000, our current interest rate is 7 per cent. It varies every six months depending on the cost of money in the previous six-month period.

In New Brunswick I suspect the provincial people made reference to it yesterday, they have seen fit, since about 1960, to subsidize interest in the province of New Brunswick and what they pay is 2½ per cent on five per cent money and 3 per cent on any interest rates over that. This applies to our capital; in other words, their policy was to try and attract federal money for lending rather than invest their own capital in the province by subsidy.

I think our organization—yes, I think it is fair to say so—have been particularly concerned with such areas as Kent County. It is nice to be able to meet a man's request when he applies for capital and it is not very pleasant to have to say no, but unfortunately, we are in the lending business and in our opinion it would be an injustice rather than a help to approve capital when it is obvious the capacity doesn't exist to repay it.

This does not just apply in Kent County: It applies in many of our small farming areas throughout the Atlantic provinces, which we administer.

I think most of us start looking at it and saying "Well, what really happened here? What was the problem? It was a viable

type of agriculture if we go back 30 or 40 years. What really happened?"

In my opinion our problems started with mechanization when we were faced with a cost that heretofore we knew nothing about and unfortunately in many instances there was no effort made to increase the income but there was an additional cost. Now, to meet these costs, the woodlots got depleted. Ten years ago it was unreal, the tax load that people were trying to pay in some of these counties—and this was no exception. In Kent County tax sales were not uncommon and there were depressed sales and you got land down to the point where it was not in demand because nobody could make any money.

Since that period, fortunately there have been some entrepreneurs who have the ability to almost sift out a dollar that can be made from anything and they certainly exist in this county. We have accounts here that will stack up with any farmers in Canada as far as I am concerned. I think they have got records to show it. I think people involved in agriculture should try to determine why these entrepreneurs have been able to make it with the same resources that many others have gone to the wall with. I think there is a natural tendency for some reason—and I don't know why—don't ask a farmer, he might know something. It bothers me because they do exist and they are apparently the last person who is questioned and asked as to why, how did he do it?

Now, coming back to the situation as it exists in this County—and I will say "we" because I think our staff are basically in agreement on the problems that exist, and what the future holds, what we can work out of these problems—I think we have got two natural crops in that County and they are wood and grass. They are the only natural crops: Anything else is somewhat different. So if you are going to bring it back, I think it has got to be done by conversion of forage crops into protein. I don't think there is any other solution, except for the odd individual, the entrepreneur, again, who will create a market for some product; but to utilize the land in quantity, I think it has got to be done from grass. The minute you mention grass you say "Well, what type?". Fluid milk production—and I am talking fluid street milk, nothing to do with the federal manufacture—is pretty well gone from this County. What was left pretty well disappeared. Most of them were not large producers. The milk shed people in the Moncton area were at this point in time putting in large amounts of capital to expand their facilities and they were in a position that the only way to add dollars to their income was by quotas. Everything else was there. Their surplus milk was not bringing anything on the market, so they could afford to pay high and this took fluid milk pretty well out of the County. I think there are only three left that are selling any amount of fluid. There is some manufacturing of milk going on there and I suppose it would be logical to say "Well, maybe this is the answer to convert into forage", but I am very dubious about it. You are in effect trying to then create an industry by direct subsidy and while it might work for this year and next year and maybe ten—I have no way of knowing—I don't like trying to create something for perpetuity. Even with the subsidy as it exists, we are talking about \$5.50 a hundredweight on milk and that is \$3 under the fluid and we know the fluid producer is not becoming a millionaire. So the margin of profit is still pretty small for this manufactured product.

Then you continue to look and there is a market for one product and that is replacement for the dairy herd industry not only in this milk shed but in the eastern states. The

Americans come up here and they buy and they don't really care what they pay if they are getting the size of Holstein animal they are looking for. Probably in this is the entrepreneur with maybe some knowledge and maybe some equity capital to get into this phase of the industry.

Now, the cow-calf proposition on beef, as far as we are concerned, is still not a feasible operation on its own. Our costs are too high, our capital is too high. I think it is an excellent sideline with some other operation particularly when you can use the by-product from some other agricultural phase to phase them together. We have some hog production up there and there are extremely good hog men, and there is a large residual waste from a hog operation. This is going on grassland which is using land and then this is being converted back to beef and this type of operation is just working; that is all I can say. But the real problem is that with respect to any one of these things I have mentioned for the individual who owns it, there is no demand on capital and there is no demand on interest; he can have a nice living, but he is not really getting it from the industry; he is getting it from a return on his capital.

Now, when you reverse the coin and the demand is all on borrowed capital and all on interest, there is just no money left to live on, and this is the dilemma.

Coming back to some of the other operations that might be feasible, there are several of them and there is the odd entrepreneur who has been successful in all of them.

I have mentioned hogs. The opportunity there is just as good as it is anywhere else, as long as we have got a feed freight assistance of \$13.20 a ton going into our County. There was no problem this year or last year, but I have been in this business a long while and I can remember these hog prices when they were far under the break-even point. We had assurance this would never happen again, and you can promote quite a hog industry, but I am reluctant to do it except with an extremely good operation because you can't weather the gaff when the price goes down under the cost of production.

Now, there is no possibility of increasing laying operations. If they could it would go to one or two individuals who have the ingenuity to pick up the slack on the market.

Broilers. I think there is the possibility for a few men and there are some extremely good broiler men in this County, but this would not utilize land because it is based on the feed freight assistance situation.

There is some potato production. These people who are producing it have had the ability to get out and get a market before they produce their potatoes. There is no way they can compete in the knock-down, rough, potato world, as I see it, with the exception of this early market and the markets they can tie up because the facilities are all in the Western part of the province. Our production is pretty well all there. They are experienced, they are dealing with top soils, they have got situations that are just not competitive to try and go out in the potato market field.

There is probably a place for small fruits, particularly strawberries, but if you look at this over ten years with the people we have been dealing with, their losses have been so excessive about every third or fourth year that they don't come back.

I think there is a place for vegetable production in special crops, providing there is suitable storage and heavy inputs of know-how from certain individuals who might be interested,

and I am thinking particularly of carrots, cabbage, beets and possibly turnips, because we are importing a lot into the province. The carrot market is closing pretty fast because there are about five rather large carrot producers now in the Maritimes.

I think it might be well worthwhile for somebody to do a pretty extensive study on sheep. It utilizes forage but I come back to the replacement cow and back to beef as a secondary enterprise, every time I come back to what to do with this land.

Just a few quick figures that might be of interest the way we see it. If you are talking about a sow-weaning operation, the capital investment is \$1000 to \$1400. In all cases I am including a home. This is what it is costing us.

The Chairman: Per sow?

Mr. West: Per sow. If you are talking potatoes, we are running \$600 to \$700 per growing acre and this is with the back-up potato land because you can't go on growing on the same land and that, of course would include storage.

The minute you mention the dairy cow in the sixty bracket up, you are \$1500 to \$2000 per cow plus your quota.

Layers—you are \$9 to \$10 per laying bird—these are caged—broilers \$3 to \$3.50 per bird, and that is per lot, not per year, housed.

When you mention beef you are \$900 to \$1000 and these are pretty heavy capital inputs.

Then to come back to the soils in Kent Country—and Senator Michaud is very familiar with that—you say "All right, these are cheap lands, you can buy them for \$10 or you can buy them for \$12", and there has been a lot of this done over the years, but I think that day is pretty well gone.

Then you take the cost to cure these, to put them into production and you are looking at a pH factor that is probably \$20 for limestone. Then you have got your fertility. Where alders grow you need drainage and these alder bushes are 8 to 10 feet high and by the time you buy it at some place and clear it, whether you like it or not, you are still back in this \$125 to \$150 an acre, which is no longer cheap land.

I think I have talked enough, Senator.

The Chairman: I am interested in your dairy cattle replacement operation. Would this be an operation for replacement of dairy cattle, apart from fluid milk production, or would this be a man who was just producing replacement dairy cattle or he is producing milk and this is a sideline?

Mr. West: No, keep out of the milk completely, just replace for beef.

The Chairman: You say the Americans will come up and pay almost any price. What price?

Mr. West: They went as high as \$700 on grains last year if they got 1600-pound animals. This is what they wanted.

The Chairman: Young cows?

Mr. West: Yes, red Heifers. They are looking for animals, they don't want second-rates and they have no interest in anything but Holsteins.

The Chairman: \$700 would be the top price. What would be an average price?

Mr. West: Oh, they must have averaged \$550 or \$600 on what they took out of here. Bear in mind they want size.

The Chairman: Maybe three-years old too?

Mr. West: No, 26, 28 months top.

The Chairman: And there seems to be an unlimited demand. Everything is limited but not in this case?

Mr. West: Anybody who has the stock can sell it any day now. Naturally, if they are coming up here they want a truck-load. You see our own producers don't want to graze their own replacement. The only ones doing it are the purebred people who are trying to sell some blood as a sideline. Very few of the fluid milk producers in this milkshed, and there are a lot of them and a lot of large ones, want to buy. In other words, they have got labour problems, they have got to have so much labour that they will buy and they don't really care what they pay because they are the preferred group. If they want more money, they can get together and they get it.

The Chairman: You have made most of your figures applicable to Kent County. Would you say your general comments are fairly applicable to New Brunswick?

Mr. West: It doesn't change as much. This is the situation. We talk about our cheap land but once we get the land back to the state of fertility we want and the proper drainage and you get the buildings and they are going to cost as much there as anywhere else and your cows are going to cost the same as your machinery is going to cost, so really your cost factors hang in whether it is Kent or Albert to Carleton.

The Chairman: Why is a beef cow-calf operation just not as economic as the dairy replacement? The beef is pretty expensive these days, the calves are worth a lot of money. At home they are worth a couple hundred dollars.

Mr. West: We have had a nice little run but we have not had that favourable a position yet. Based on last year's Truro sales, which is our biggest sale, and where they come in, it is a feeder sale, we generally try to base our meat thinking on the assumption that you have got to close your year at some point in time and let us forget about the calendar year and let us close once you sell feeder cattle. It is well known that anybody can make a dollar on a feeder operation. It is the cow-calf side which is the problem, where you are losing your money.

Now in theory, the man who is running a cow-calf operation should be the one who keeps the feeder to pick up the profit on that size, but invariably, if he is up in the 60-, 70-, 80-bracket, then he has got a compound problem with more capital for more machinery for more land, and, as a matter of policy, most of them sell them as feeders.

The Chairman: Calves?

Mr. West: Yes. Last year prices were favourable but, taking last year's prices and assuming everything was top price, with an 85 per cent calf crop and a 3 per cent loss in cows on a 100-cow operation there would still be a loss of \$4000 if the capital was all borrowed. The same individual, if he owned it all, he would have a nice living but it would not be from agriculture: It would be from the return on his investment.

The Chairman: And if he was on the dairy-replacement basis, he would make something?

Mr. West: He would be away ahead.

Senator McGrand: You have mentioned that maybe you could bring the sheep back?

Mr. West: I didn't say that, Senator. I said I thought it was worthy of a really detailed study because it does convert forage.

Senator McGrand: I think now, from my figures, you have got about 3000 sheep in Kent County. It is not so many years ago there were over 17,000?

Mr. West: Right.

Senator McGrand: But that was in the day when wool was worth a lot of money.

Mr. West: Right.

Senator McGrand: Now, I think today that wool is rather a drag on the market, isn't it, and it has been for a number of years?

Mr. West: I am not familiar enough with the wool market to comment, sir.

Senator McGrand: It was a few years ago anyway.

Senator Inman: It is coming back now?

Senator McGrand: That is why I mention it. Looking after sheep is not a labour-consuming job, is it?

Mr. West: Not heavy. On our small family farms, if you have any questions on that, Mr. Bourgeois will take that.

The Chairman: Other questions at this time? Mr. Bourgeois deals with the small-farms program so he might wish to make a few remarks.

Mr. West: He also deals with FCC. We have saddled him with that, incidentally.

The Chairman: All right.

[Translation]

Mr. Edmond Bourgeois, representing the Farm Credit Corporation: The small farms program is a joint provincial and federal program.

The agreement was signed in New Brunswick on October 20, 1972.

The beginning was a bit slow, there was not much activity, and then, around February and March, the applications for the subsidy started to come in.

It must be pointed out that the promotion for the program was very limited, because the program being subsidized by the federal government and since several provinces had not signed the agreement, the publicity which should have been done on a national basis was delayed. They took more time to do the publicity for the program on a national scale. They waited until most of the provinces had signed.

Now, I think three or four provinces have not signed yet, but the publicity campaign is going on.

In New Brunswick, we received 19 applications for the subsidy; it is a subsidy given to the qualified seller, that is a landlord operating a small farm that is not considered to be economic or viable.

So, these landlords are eligible for a subsidy of \$1,500 plus 10 per cent of the sale price, up to a maximum of \$3,500 on the

sale of their farm and if also they sell to an adequate buyer; when I say an adequate buyer, I mean a fellow who will not operate the small farm the same way the seller operated it; it means we do not want the small farm to continue the same way it was before, because we have just given a subsidy to a seller whom we considered was living on too small a farm. We do not want this farm to be transferred to a buyer who would continue to operate this small farm the same way it had always been operated.

The purpose of this program is to see these farms go into the hands of other operators of small farms who will use these plans that have become available to operate bigger and more viable farms.

Up to date, we have had 19 subsidy applications in New Brunswick.

Since October 20, 17 subsidies were approved for a total amount of \$47,675; only one was rejected. In fact, it was not rejected, it is because we do not accept the sale for the moment, because the person had not sold all its land, and as soon as all the lands are sold, the subsidy will be approved.

One application came in this morning and it was rejected.

In conjunction say with the profits for the seller, there is a special buying credit for the qualified buyers, that is operators of small farms who buy a land from an eligible seller, a seller who will qualify for the subsidy.

Only four of the 19 applications I mentioned earlier were for special buying credit. There were also four applications for special buying credit which were accepted. Two others were financed through our regular loans. In two other instances, the buyer took over the mortgage left by the seller. Four others were financed with long-term provincial loans from the Agricultural Re-establishment Board, and five were privately financed, with cash.

I have read a few comments in the papers since the meetings have started and certain remarks were made, perhaps by senators, to the effect that a certain number of these grants were given to the buyer, and I would like to correct this rumour, it must have been someone who was not familiar with the program, because we did not give any grants to the buyer, what is available to the buyer is a loan that must be paid at a 7 per cent interest rate, the same rate that applies for regular loans made by the Farm Credit Corporation.

The advantage of a special credit on purchase, is that the buyer does not have to mortgage his own installations, the purchase of the property is financed by agreement of sale, he only has to give \$200 cash; the rest can be financed over a period of up to 25 years.

The buyers, and they know the programs quite well, will use the grant given to the seller as a tool that will benefit them, by trying to obtain a reduction of the sale price, because they will say to the seller: "If you sell to me, we shall have a grant". We then realize that the buyer will benefit from the grant given to the seller in a proportion of about 50 per cent.

It is rather a remark or a comment I am making.

If you have any questions on the small farms program.

Senator Lafond: On the 19 applications you have received so far, Mr. Bourgeois, could you tell us how many come from the riding of Kent?

Mr. Bourgeois: Only one, and it has not been studied yet, it is a combination of a sale with a special credit for the pur-

chase, and we have not yet received the estimation of the property.

But, it is the only grant application that we have received, up to date, in Kent County.

Senator Lafond: Concerning the publicity of the program, you have explained, just like Mr. West, that they waited for the publicity to be made on a national scale, because it was a joint agreement, but since the signing of this agreement, have your provincial colleagues set up a good publicity campaign?

Mr. Bourgeois: We have started our publicity in the papers this week, at the request of our head office in Ottawa.

It is for the registration program for those who want to sell their farm, and this week, the publicity is directed to the registration service, for those who want to register their farms in the selling category.

Now, the province is about to publish a new brochure on the program, because they deal with one aspect of the program, and there are two quite different aspects to the program.

There is the program for the transfers of lands, and this part of the program is the responsibility of the Farm Credit Corporation, and then there is the rural advisers and agricultural management service which is the responsibility of the province, and the province is about to publish a publicity brochure on the subject.

Senator Lafond: Thank you.

[Text]

Senator McElman: Mr. Chairman, this applies not only to the SFD program, but to the general activities of the Farm Credit Corporation. In your consideration of the value of the property for loan purposes, what weight do you put upon the woodlot and its capability of producing revenue for the small farmer? How important do you treat it?

Mr. West: We treat the annual income as dollars on the income stream of the unit on what we feel you could take off every year, recognizing that people don't do this, they might take off a lot in ten years, but for income purposes, which is your repayment capacity, we treat what we feel the man could take off every year if he chose to do it on that basis.

Senator McElman: And this definitely is taken into account?

Mr. West: In your income.

Senator McElman: The ability to repay?

Mr. West: That is right.

Senator McElman: If I could move from that and try to make a short comment, Mr. Chairman, I am very strongly of the opinion that at this point in time in New Brunswick the best possible investment for any person in rural New Brunswick is to buy a productive or what will become in a very few years a productive piece of forest land—wildland, as it is so commonly called.

What is happening in our legislative assembly, following pressures and amendments to the legislation, will in effect force the major corporations to buy a better balanced product from the small woodlot owner and the farmer at prices which are now somewhat of the order, in general terms across the province, of \$22 at roadside. This is a depressed price, which

has been at that level for many years. Given a five-, six-, or ten-year lapse of time, and still staying at today's relevant terms of value, what is \$22 today in constant dollars, will in five to ten years be \$35. So I contend that the investment basis for a woodlot today is perhaps better than farmland itself.

Mr. West: I still have a lot of faith in farmland.

Senator McElman: I do too.

Mr. West: I agree with you on the woodlot, providing you recognize the risks and the hazards and where the land is. That is fire and pest, and these have taken a pretty heavy toll, particularly the budworm.

Senator McElman: In some areas.

Mr. West: That is what I say, provided we recognize the areas and the hazard that exists.

Senator McElman: The hazard there has diminished to a point where it was not the great hazard it was when you and I were boys.

Mr. West: That is right.

Senator McElman: I am trying to keep it within the current context. The small farm development program, as I see it, can give to the small farmer of New Brunswick a great opportunity to increase the size of his woodlot. It seems to me that Kent County is one of the ideal situations for just that, where an existing farm with a 25-acre woodlot can become a farm with a 125-acre woodlot, with perhaps cropping on a three or four-year basis, rather than the ten-year basis we are talking about, and with a much better capability of loan repayment.

Mr. West: It would seem that there should be a demand for it. For some reason so far it has not come in any quantity. You see, as far as Kent County is concerned, there is one application on a small farm.

Senator McElman: Well, if you will permit an observation, I think that is because they don't know anything about it yet.

Mr. West: This is possible.

Mr. Bourgeois: I have attended numbers of farmers' meetings so far. I would say one County that knows the program better than any other County would be Kent.

Mr. West: Mr. Bourgeois happens to live in Kent County, grew up there and has been our field man there for some years. We just pulled him out because he wanted to do some other jobs, but he is very familiar with this county.

Senator Michaud: Would not this situation be accountable for the fact that there are no prospective buyers?

Mr. Bourgeois: The way the program is set up now they would have to buy land from an eligible vendor and this is what they are trying now and it is hard to find an eligible vendor who would sell today. Maybe he wants to sell in two years or three years' time, but an eligible vendor is a man who, on the commencement date of the program, which was April 1, 1972, was an owner-operator of a small farm at that time, principally occupied in the operation of that farm and he must continue a farming operation until he sells.

Now, you drive through Kent County and you see a lot of small farms; they are all owned by somebody but there are very few that are still actively engaged in farming. There are a

lot of qualifying farms but not the qualifying combination of farm and farmer.

Now, if we change our terms of reference we may have a lot of land that we could move, but under the present terms of the agreement this is a great, big limitation. Now, the purchasers—and maybe we could find them in numbers—still have to buy from eligible vendors. If they could buy any land that came on the market, I think we would have some transactions because you have some people who want to buy land if suitable financing arrangements exist, but unfortunately they do not.

Senator McElman: Do you consider that your organization would be in a position to help these people?

Mr. West: Would you repeat the question, sir?

Senator McElman: Are you satisfied that you have currently the capability in your organization for the kind of credit which is required by the people of Kent to expand their operations in a given direction on a straight agricultural base or including the farm woodlot expansion?

Mr. West: I think we have the facilities, provided there is the income stream which is the repayment capacity. This becomes the limiting problem all the time.

The Chairman: I think we have a question from the audience. Mr. Robichaud.

[Translation]

Mr. Robichaud: Mr. Chairman, just a comment and a question to the witness.

First, I deplore the fact that advertising, in spite of the terms you made, has not been made sooner. I think that I first heard about it through a public official, a member of Parliament, who himself tried to profit by it.

Now my question is: I would like to know if, in this small farm assistance program, there is a provision for the persons who do not work full time on a farm, who are not farmers, but who are interested, and who show some interest by following an agricultural course to buy a farm.

Is there a possibility, or is it a formal no to all persons who are not farmers and whose principal income does not come from a farm? Is the Selection Committee consider a person who has just finished a course, or who is involved in a course to come?

Mr. Bourgeois: No. The way the question is asked, I should probably answer: no.

Because the program, frankly, the terms and the conditions are not made in such a way as to make it possible to establish new persons in agriculture.

The program is one of land moving, that is what it is. Those are the facilities to transfer a small farm from one person to another, and that we would see that farm added to another, which would make it more profitable.

Now, it is possible that a person buy his small farm, and then, by paying out capital, by building a barn, or what have you, finally it would be mainly by building facilities, make this farm profitable, suitable for himself and his family, it is then possible for him to buy this farm.

However, the special credit for buying is not available for the person who wants to buy those lands.

The special credit for buying is only available to a person who owns a farm, the sale agreement or who has been renting on lease for at least three years, and who has a continuity for this session, for this farm on lease for many years. Then, it is possible for him to add that farm to the land he is operating now.

But, no credit is available for a person who finished an agricultural course and wants to buy and operate a small farm.

Now, we may happen to lend him some money through the regular loans of the corporation.

[Text]

Senator Michaud: Mr. Chairman, on our tour on Tuesday we visited the St. Paul area. The St. Paul area was known years ago as the agricultural section of Kent County. I think we are safe in saying that the quality of the land there would all qualify as class three. There is no poor land in St. Paul: It is good land. It is a community of 125 families who have been depending entirely on farming from the section of the community itself, up to a very few years ago. Based on the dairy industry at the present time I am told that on the north side of the river there are still three producers left. There are none whatsoever on the other side. There is also a big poultry operation on the north side of the river.

The question now is, with respect to all that land in that specific area—good quality land, which produced good crops when operated under the old system—in what way can we expect to bring it back into operation at the present time?

The Chairman: I think that is for Mr. West.

Mr. West: Senator, I don't think there is any quick and easy answer to this. You have mentioned a poultry operation. This man has been an entrepreneur in his own right, he has a big family. I think every one of his boys will eventually be in agriculture and if they are, he will look after the problem.

Now, if he doesn't, then there will be someone else come along because his land is not gone yet and there is more of a demand. You see, you can look at the prices that we paid last year and this year and you get a different feeling from people who are producing something.

Fortunately, they can forget bad years awfully fast, and this is good. If they didn't, they would stay out. But they get these prices and they start thinking positively again and start thinking in terms of land and production.

I would think that that area you are talking of is not an area that is gone—whether it comes back in sidelines of beef or whether it comes back in my replacement dairy situation which I have a lot of faith in. Just to clear the record on this point, I am not thinking in terms of a man who keeps dairy cows to get a calf: I am talking about a man who buys dairy calves from fluid milk producers and raises these for the market for his replacement herd. We have accounts that are doing this in our branch and they can run a program because they know what they are going to get for their product because they contract with somebody when they buy the calf. It is not just hoping the price is going to be X-dollars: they know!

This area we are concerned about, as far as I am concerned, has to come back from a grassland program. Just which way it has to be—dairy replacement, or a combination of beef or a combination of hogs—I don't know; but in my opinion that is the only way it can come back.

Senator Michaud: Thank you.

Mr. Arsenault: I gather, Mr. Chairman, from the comments you made a few minutes ago, you are about to adjourn?

The Chairman: It is just about 12:00 o'clock.

Mr. Arsenault: I would like to take this opportunity, before you do adjourn, to invite you all to visit the Memramcook Institute in the beautiful Memramcook Valley. You will be certainly welcome.

The Chairman: Thank you very much. I hope we can accept.

Thank you very much, Mr. West and Mr. Bourgeois, for a very enlightening discussion. I am sure it has been most helpful.

We will adjourn until 2:00 o'clock.

The committee adjourned.

Upon resuming at 2:00 p.m.

The Chairman: Honourable senators, I see that the first item on the agenda is to hear from NewStart and from Harry Shorten, the director. I would ask Mr. Shorten to come forward.

Yesterday we had the pleasant experience of being the guests of NewStart and we had an opportunity to meet Mr. Shorten and to converse with some of the people connected with NewStart. I am sure we have already been impressed and I am certain that Mr. Shorten will have an important message for us. Welcome, Mr. Shorten. Go ahead at your ease. You are alone today?

Mr. Harry Shorten, Director, NewStart, Richibucto: Yes.

Mr. Chairman, honourable senators, ladies and gentlemen, the brief which you have before you is not specifically brief, it is rather background information on NewStart and some of the things that have been happening in Kent County, with some brief remarks at the end as to what the agricultural picture looks like to a layman.

Chapter 1 of the brief, the first three pages, is the philosophy behind NewStart generally.

New Brunswick NewStart is a private corporation under the laws of New Brunswick. It is controlled jointly by the provincial and federal governments and is completely funded by the Department of Regional Economic Expansion. In the province I am responsible to the Honourable Lorne MacGuigan, Minister of Education and on the federal side to the Honourable Don Jamieson, Minister of Regional Economic Expansion.

When NewStart of New Brunswick commenced its work here in 1969, we commenced with a full-scale human resources and economic resources survey of the County, and based on the finding of that survey in early 1970 we proposed a three-stage action research program. It became clear in Kent County that there was a large out-migration. It also became clear that many members of the Acadian population had no wish whatsoever to leave Kent County. The greatest part of our research, therefore, centred on the quality of life in the Acadian communities.

We chose five communities representative of Kent County and another five which matched the original five.

In the target communities, as we called them, in consultation with the people of the villages, we instituted various programs. Every year since that time we have carried out surveys to determine the impact of these programs on the villages concerned. In that way we can contrast the impact on the target villages against that on the control villages and determine what these programs have done.

We have been involved in a great series of things. We have handled a number of trades: teachers, day-care centres, kindergarten centres, cultural centres, libraries, courses for home-makers and fishermen. We are re-vitalizing the oyster industry in New Brunswick and we have started a new arts and craft industry which shows great promise financially. I will not go into the details of these. They are contained in the blue book which you have been given as an appendix to this brief and which may serve as reading on a cold night sometime, but they have been far-reaching and we feel they have done a great deal of good in Kent County.

Chapter 2 has been prepared to help those members of the Committee who are familiar with Kent to have some better idea of what Kent County is really about.

Senator Inman: Excuse me, what page are you on?

Mr. Shorten: I am on page 11 now, senator.

On page 12 is a map showing where Kent County is, generally, and page 13 shows the villages. Table 1 on page 14 shows what has happened to the population of Kent County since 1931 and it is significant, although it is not shown here, that in 1969 the population fell to 22,500. In the two years between 1969 and 1971 the population rose to 24,901. This is the first reversal of the trend to out-migration that has been noted in some 27 years.

On page 16, Table 2 shows how this out-migration of which we have spoken, has affected the population. We have a large dependent youth population, a large dependent older pensioner population and an over-small productive population. At the bottom of the page you will see that 81 per cent of the population is Acadian, 14 per cent is English-speaking and the Indians account for 4 per cent. In the County 50 per cent are bilingual, 35 per cent are French and 15 per cent speak English only.

On page 18 Table 3 shows that of the adult population some 34 per cent have less than Grade V education, and this is a significant factor in the province and Kent County, generally.

The other tables all the way through to page 27 are again background which need not be gone into here, but which are in the province of Kent County, and which may be pursued at your leisure.

After the graph on page 27 you will find a page entitled "Selected Findings, Kent County, 1969-1972". I think that you may find these figures, although they speak of the County as a whole, rather interesting. We divided the communities into four—the target NewStart Communities, the Business Communities, Control Communities and All Communities, and you will see in the first line that, in the NewStart communities, the mean family income, that is the average family income, went up 24 per cent. In the business communities it went up 29 per cent—and the business communities are largely those, such as Cocagne, receiving a great deal of commuter traffic to and from Moncton.

In the control communities, mean family income went up 21 per cent and in Kent County as a whole, 24 per cent.

The median family income, which is the type of income that most people get rather than the average, the NewStart communities went up 18 per cent, the business communities 37 per cent, control communities 5 per cent and across the County 17 per cent.

There is another column which indicates to us that government programs such as many people consider NewStart to be, have a better effect on a community than business. Welfare dependency in the NewStart communities decreased by 16 per cent. In the business communities it decreased by 6 per cent, in the control communities there was no change and in the communities across Kent County, generally, there was a 5 per cent decrease.

We will skip to column "E", "Equality", and equality is the distribution of income. In the NewStart communities, equality improved by 9 per cent; that is to say that more families came to the average. In the business communities this went down 3 per cent, which is to say the rich got richer and the poor got poorer. In the control communities this figure was even worse: the rich got even richer and the poor got even poorer.

"Internal Control" is a psychological measurement which asks of a man or woman, "Do you feel that you can control your own destiny by acting politically, working with your representative of government and so on?" In the NewStart communities this figure went up 32 per cent; participation in and their interest in their own affairs increased markedly. In the business communities, 26 per cent, control communities 2 per cent and basically in all communities, 17 per cent.

Column "G", "Mental Health", I think speaks for itself. In the community where these programs have been underway mental health has improved 15 per cent as against a negative factor in all other communities.

The next page, I think, will be of special interest to the members of this Committee inasmuch as it compares the farm incomes in the community for the years 1970 and 1971. It can be shown that farm incomes in these two years have gone up 16 per cent. These figures are corrected for inflation so they are reasonably accurate. They have not gone up as much as the County average but there is a 16 per cent improvement even though the number of farms has seriously diminished.

When we arrived in Kent County in 1969 and started our program, we looked at agriculture quite seriously but we found that in Kent County there were already a great number of organizations whose primary role was agriculture. Quite apart from federal Department of Agriculture there was the provincial Department which had agronomists, veterinarians, home economists and community development officers in Kent County. Apart from that there were flat farm advisors for the English farmers and classed Conseil Regional d'Amenagement du Sud-Est, regional development.

We considered that needs elsewhere in the County could be better served by NewStart. We did, however, in conjunction with some of the programs, try some agricultural projects. The first of these was an onion project at Richibucto Village. We found out by market survey that there was a market for 200 tons in Moncton and to provide diversification of effort we endeavoured to establish an onion-growers' cooperative in Richibucto Village to give the fishermen another means of income should the fishing fail. This was not a success. To begin with, the established farmers in the area, particularly in the region of Buctouche considered that they were far better able to carry out this task than having a group of fishermen. There was quite a bit of opposition from this source. The

provincial government which was carrying out experiments on onion growing in Kent County unfortunately had not perfected the techniques and the first crop in 1971 was lost, basically through lack of weed control and lack of knowledge of storage temperatures.

The second experiment last year failed because of an early frost. This year there is only one square acre under cultivation and we have not yet received the results of the experiment.

We carried out several market surveys—strawberries, hogs, blueberries, lathwood, rabbits, potatoes—all these were carried out on the request of various individuals or groups of individuals and the results were made available to the requesters. We did not, as I say, other than this, take too much part in agricultural activities.

Over the three or four years that NewStart has been there, naturally we have talked to various groups of people including farmers and with the advent of the ARDA program this year, I myself have met with several groups of farmers, English-speaking farmers, and have been able to establish some ideas on farming in Kent County and if we then turn to the next page, I will return to the brief.

The decline of the farming industry in Kent County may be attributed to many factors. Prior to the New Brunswick Equal Opportunity program of 1963 local educational costs were borne by local taxation. This placed a heavy tax burden on Kent County, with its predominantly rural population. Also, the small farmers were unable to afford expensive machinery, and many young people were reluctant to face the hard labor and long hours required in non-mechanized farming. High feed, fertilizer, labor and machinery costs, compared to low prices for farm products, have driven farmers away from their farms. Local markets are being supplied by foreign producers, so that many of the local farms have become subsistence farming only.

In a series of meetings with local English-speaking farmers, the following complaints or recommendations have been made. They indicate a broad spectrum of problems, all of which militate against the farmer.

- (a) That the veterinary service in Kent County be improved. At present there is no resident veterinarian in the county, which is served from Moncton.
- (b) That the cream and milk quotas be enlarged. Many farmers have surplus cream and milk which they cannot sell because of quota restrictions.
- (c) That a beef marketing board be established.
- (d) That long-term farm loans be established, up to 50 per cent of income, with interest rates no higher than 7 per cent.
- (e) That prices for machinery, feed and fertilizer be lowered. Feed should be no more than \$5.50 a bag.
- (f) That a loan fund for improvement of farm buildings be established.
- (g) That subsidized drainage and irrigation projects be established.
- (h) That a Kent County beef feed lot be established.

ARDA

The third ARDA agreement between New Brunswick and Canada was signed in May 1971, but no advantage has yet been taken of it. A pilot planning project has been announced for Kent County, and some initial projects have been forwarded,

although they have not yet been funded. The farmers of Kent County are putting together a project for presentation, based on regional vegetable warehousing.

Long-Range Projects:

Discussions with chain-store and wholesale buyers indicate that they are willing to take all of Kent County's produce, if this produce is properly packaged and a supply guaranteed. It is at this point, however, that the trouble starts. Most of the farmers are too small to invest in packaging machinery, and many of them refuse to do so, on traditional grounds. The market exists, and the production potential exists, but until the Kent County production can be concentrated, packaged and stored properly this potential is wasted.

It would appear that a possible solution is the construction, on a co-operative basis, of a central produce-handling complex. It is envisaged that a series of warehouses each dedicated to an individual product, be placed in a central location in the county. The role of each warehouse would be to accept bulk shipments, and to clean, grade, pack and store or market them, in their natural state. Rejects or produce for processing would go to an integrated food processing plant, which would process the produce as necessary. A central management and accounting cell would administer this complex, of which a schematic is shown as Diagram A.

If the Committee agrees in principle with this proposal, it is recommended that a feasibility study be commenced as soon as possible of the decline of the farming industry in Kent County.

On the next page we have shown a block diagram of what this complex could look like. As you will see, there are a number of warehouses, each dedicated to a type of produce—vegetables, dairy, meat, fish and cereals. It is envisaged that each individual producer could bring his produce to the relevant warehouse for the packing, grading and so on, and marketing, which he cannot at the moment do for himself. Any further processing or rejects could go to the food processing plant where, for instance, surplus potatoes could be mixed with surplus milk and surplus oysters to make oyster stew; or broken carrots, with the less desirable cuts of meat and so on, could make Irish stew.

It is seen that the central administrative unit would manage and account for the activities of the central complex. It has been clear to us that there are many small producers in Kent County who, if they have the markets, already have the facilities, the machinery, the land, the buildings and so on, to produce more than they do. At the moment, because they do not have the facilities to present packages which meet the demands of the marketplace, they cannot sell them, and until this can be done, further production is, we think, a waste of time.

Thank you, Mr. Chairman.

The Chairman: Mr. Shorten, have you any projects in mind for agriculture in the near future?

Mr. Shorten: NewStart, as you know, sir, is through in nine months from now, unless we receive an extension, and at the moment we are trying really to get out of the project game. Were we to stay here, and were our mandate to change from actual research to action, we would like to take on an agricultural study to look at this food processing thing. We have talked to some men about the projects which are going on on the Prairies—trout raising and so on, on the farms. You will

hear later of a rabbit project, which would provide a great deal of farm employment in the raising of rabbits and in the production of feed for the rabbits. We would like to look at all this again were our mandate to be extended.

The Chairman: Any questions?

Senator Lafond: You were saying, Mr. Shorten, that your mandate expires in a few months?

Mr. Shorten: Yes, the original NewStart was five years. We started in April, 1969, and we are through in March, 1974.

Senator Lafond: Unless you are the only institution of this type, has there been a history of the extension of such mandates, or has there not been?

Mr. Shorten: It is hard to compare them, senator, because we have been doing something which is completely different from the other NewStarts. They were put together under Manpower and Immigration, and basically got involved in education rather than the type of social and economic development which has come out of our projects.

Senator Lafond: On page 1 of your brief, Mr. Shorten, you refer to a series of meetings with local English-speaking farmers. I am not indulging in any racial lines or anything of the sort, but have similar meetings been held with French-speaking farmers in Kent County? Do you estimate that the conclusions would have been more or less similar to what yours were had there been meetings?

Mr. Shorten: I know that in some areas they are similar, senator. There was no attempt at a racial division here at all. What happened was that when the ARDA program was announced, the CRASE organization hired an animator, Mr. Rheel Drisdelle, who was there, to work with the French farmers. CRASE is, by definition, a French-speaking organization, so that more or less the English farmers had been left out of the ARDA deliberations. It is hoped that at a later date Mr. Drisdelle and I can compare his findings and produce a consolidated Kent County proposal.

Senator Lafond: For purposes of the record, Mr. Shorten, would you spell out what CRASE is?

Mr. Shorten: It is the Conseil Regional d'Amenagement du Sud-Est, the Regional Development Council for the Southeastern New Brunswick area. It works Kent County, Harwick and another parish.

[Translation]

Mr. Rheel Drisdelle: The CRASE territory extends from St. Anne Bay, Rogersville, in the County of Northumberland, to Kent County and the French areas of Westmorland County.

[Text]

Mr. Shorten: It is County of Kent, two counties in Cumberland, and the French-speaking parish of Westmorland County.

Senator Lafond: On page 2 of your brief you say the first ARDA agreement between New Brunswick and Canada was formed in May, 1971, but no advantage has yet been taken of it. May, 1971, up to this date is two years. Where in your opinion should the impetus come from for advantage to be taken of it?

Mr. Shorten: The ARDA agreement, as you know, is a shared agreement between the province and the federal government, and in Kent County the province has in the last six

months established a co-ordinator to put together a Kent County plan. Some projects are now going forward. If these projects can be accepted and approved in the provincial priorities, then they will be considered for ARDA funding, but I would think at this stage of the game the action rests with the province.

Senator McGrand: You mentioned that if the life of this NewStart is renewed you would undertake a different policy, a different program. What projects would you have in mind if you have another five years?

Mr. Shorten: At the moment we have in Kent County four projects which we think are quite valuable and should be carried on. First of all, the oyster project which we started will require another two years to come to fruition, because it takes an oyster five years to grow. But we consider, if our hopes work out, that this will provide employment for some 250 men and a possible income of around \$3 million a year. So we would like to make sure that that goes on until 1976 at least.

Senator McGrand: That is on your oyster culture, not only in Buctouche but at Richibucto, and all along there?

Mr. Shorten: Yes, Buctouche, and Richibuctu Village.

Senator McGrand: Did you do anything at Kouchibouguac?

Mr. Shorten: The park waters have been closed.

Senator McGrand: That is right. You talked about the oysters. Now, what else?

Mr. Shorten: In St. Paul, and some of the other villages, we have been training the women in arts and crafts, and this has come along very well and is growing rapidly. In St. Paul there are 30 women who have formed a co-op, and in their first year have sold over \$5,000 worth of arts and crafts. In St-Louis de Kent and Acadieville they are also involved, but they are not doing quite as well because of the distance from the market. It is our intention this fall to commit our St. Paul man to a regional effort in the hopes that we can put together a Kent County arts and crafts organization to take full advantage of the tourist opportunities offered by the park.

Senator McGrand: That is two. What are your other two?

Mr. Shorten: We found that when we came to Kent County the biggest need of the people of the county was accurate information, where they could go and find out about government programs, what they were entitled to, how they could get LIP grants and this sort of thing. To meet this gap in part we have established five information centres. These centres handle some 3,600 requests a year from local citizens. The questions run through welfare, manpower, farm loans, housing loans, LIP, Opportunities for Youth, the New Horizons projects and so on. We would like to see these going, because it is these information centres which can really reach the people of the county and keep them in touch with what they are entitled to and what they can get.

The other one is an agricultural centre at St-Louis de Kent, which is serving as a centre where the people who have left the park can meet and become assimilated with or join with the people of St-Louis to make a viable community out of it.

Senator McGrand: You say a viable community. What resources would they have to make it a viable community?

Mr. Shorten: Well, St-Louis de Kent is quite a good little community of about 800 or 900 people. Their problem is that in

the next year or so they will have received about 900 people from the park. It is just like doubling the population of the village to two-years' time, so they need infrastructure to improve the sewer system, the lighting, the roads and so on, but we have also been looking at the tourist industry with them, because the gate of the park is only four miles from St-Louis. We are working with them to establish a co-operative restaurant and motel; we are teaching the women arts and crafts and the men carpentry. We are also giving courses in the trades which will be acceptable in tourism, cooking, waitress and so on. This is the point of our emphasis in St-Louis de Kent.

Senator McGrand: You were on the Labrador Coast, weren't you?

Mr. Shorten: Not I.

Senator McGrand: I thought we met you on the Poverty Committee.

Mr. Shorten: No.

Senator Inman: Mr. Shorten has already answered one of Senator McGrand's questions about women, but I would like to go further than that. What other courses have you for women, like preparing them for office work or office employment? Have you day-care and what we call home mothers? The reason I am asking this is, we had a NewStart in Montague, Prince Edward Island. Perhaps you know about it. I attended a seminar there; I was very impressed by the work they were doing and I was very disappointed that it was not continued. Do you have any plans for this sort of thing in your project up there?

Mr. Shorten: Yes. The first training that we ran in Kent County was the information offices, and half of those were women. Our second project was a teacher-aids project. We were a bit concerned with the level of education and wanted to know what impact teacher aids would have in school. We trained 15 local women and they are still in schools as teacher aids. We have trained some 90-odd women as homemakers; that is, the type of woman who can go into a home and replace the wife if she is sick or away, or something like that.

We ran a day-care centre in Buctouche, which was very successful, and we have also run a kindergarten in Buctouche which is very successful. We have run sewing courses, cooking courses, waitress courses, and just homemaker courses to help the woman in the home itself.

Senator Inman: I also was through the project out at Prince Albert. That is also closed up, I understand?

Mr. Shorten: Yes.

Senator Inman: There were a lot of women training at the time we were there with the Poverty Committee, and hair-dressing seemed to be very popular among them. Perhaps in Kent County there would not be so much call for that. How about training them to be good housekeepers, cooking and that sort of thing? Do you have courses along those lines?

Mr. Shorten: Yes, the homemakers' courses were a month long, and they got cooking, nutrition budgeting, child psychology, use of equipment.

Senator Inman: Did you find that many women attended these courses?

Mr. Shorten: Yes, we put through quite a number.

Senator Inman: That is all for now, that you.

Senator McElman: Mr. Chairman, there has been little emphasis given to tourism, and, as we all know, Kouchibouguac Park is coming to Kent County with all of its problems and all of its advantages. Have any efforts been made to prepare for the influx of summer residents and the tourists, who will be coming in great numbers I would assume?

Mr. Shorten: Yes, there is a lot of work being done. All this arts and crafts is basically aimed at the tourist trade. The group in St.-Louis de Kent who are working on a co-operative restaurant and motel are hoping to take advantage of it. We have trained 135 fishermen to be deep-sea guides. They have won their DOT certificates to qualify them to take parties fishing. This summer NewStart, in conjunction with the province, is going to try to catch tuna out of Richibuctu. This sounds a little silly, but we feel if we can make it work it will be a big tourist attraction. There is a lot of interest being shown in tourism, but it is a question largely of the capital.

Senator Inman: May I add one question? Do many of the women take an interest in taking courses with regard to farming, like poultry courses? There are women who run very successful farms. I wondered if any of the young women were interested in anything like that?

Mr. Shorten: None of them have shown any interest in anything like that.

Senator Williams: In your oyster culture, in how many seasons do you expect to complete your development to the point where it will level off to the highest point?

Mr. Shorten: Well, at the moment, we have about eight million oysters, which should come to market in 1974 or 1975. After that, and as we can build up production and the capability of the men to handle this, I would think that by 1977, again barring natural disaster, there should then be a quite viable on-going industry.

Senator Williams: Have you any problem with diseases in your development?

Mr. Shorten: No. The Malpeque disease, which was the big killer, claimed the New Brunswick harvest in 1965-1966. The oysters which are growing now are resistant to the disease.

Mr. Williams: They are local oysters?

Mr. Shorten: Yes, they are.

Mr. Williams: I have another question and that is: How much sea time or practical experience must a fisherman have to qualify for obtaining qualification as a deep-sea guide or sports guide? Are there any requirements?

Mr. Shorten: The time is a year, and after that he takes a four-week course. We have used the professors from the provincial school of fisheries, who come to NewStart and give the course. We pay the expenses and the man's wages are paid by Manpower. At the end of his four weeks' schooling he is given an examination by a DOT inspector.

Mr. Williams: Thank you.

Senator Norrie: What local people do you use in the park area?

Mr. Shorten: It is very difficult for me to answer. There are about 82 people working in the park, and out of that I would think about 70 are possibly local residents.

Senator McElman: For participation in the sports fishing program a lot of inshore equipment will be used. Or will there need to be a substantial outlay for new craft and equipment?

Mr. Shorten: It depends on what the fisherman wants to do. If he wants to go tuna fishing there will be a substantial outlay. A standard oyster boat, as a sea boat, is very suitable indeed for this type of work, but it has to be fitted with toilets, ship-to-shore radio, lifesaving equipment, fire-fighting equipment; the tuna rods and reels themselves run about \$1,000 per set, so that is really expensive. We think there will be a great potential for the man who just wants to take out, on a head basis, men or children who want to catch mackerel or cod and don't require special equipment.

Senator McElman: It is the sort of project that can work in with fishing time rather than be competitive with it, is it not?

Mr. Shorten: Up to a point. The lobster season starts in Kent County in the middle of August, and once the lobster pots are in any type of inshore tuna fishing just is not possible. The possibility of big fish, any time the lobster pots are out, is too great, but the small fishermen, after cod, mackerel and so on, is all right.

Senator Williams: This will be strictly bait fish?

Mr. Shorten: Yes.

Senator Inman: Of course you would think it would do a lot of good, but don't you think that stopping a program like this after five years is defeating the effort? How long do you think a program of this sort should be carried on to get really good results? I think permanently, myself.

Mr. Shorten: To conclude the projects that we have got going now, senator, I would say another two years, but a lot of these things take a long time. If we were to pick up any other projects we might require another five or six years. It depends what we got into.

Senator Inman: Do you consider, as I do, that five years is too short a time?

Mr. Shorten: Yes, I agree, but again, under the context of the original NewStarts, which are doing purely educational work, they didn't face this problem. They are turning out curricula and books of instruction and so on, and they didn't get into a project like growing an oyster, which takes five years to grow.

Senator Inman: I am thinking particularly of one program which was the day-care centres. I saw wonderful work being done in those centres.

Mr. Shorten: Yes, I agree. Our day-care centre was extremely successful. The problem is it is extremely expensive.

Senator Inman: I beg your pardon?

Mr. Shorten: It is very expensive.

Senator Inman: I saw two, one especially in Prince Edward Island at Morell. That is a real community. They had a very large centre going there, with I understand excellent results. Perhaps, shall we say, sort of underprivileged people.

Mr. Shorten: Well, we ran ours in Buctouche. Basically, it was in an area known as l'autre bord de la trac, which is, in English, you might almost say, the other side of the track, where there are 130-some odd families who have almost been lifetime recipients of welfare. It was their children, racially, who came to the day-care centre. If you must pay an attendant on a basis of one attendant to eight or nine children, we had 60 or 70 children, so if you are paying 10 attendants at about even the minimum wage of \$300 a month, you are talking of \$3,000 a month, you are talking of \$36,000 a year, which again is quite a bit for a small village. The problem, of course, is if you try to say to the province, "Well, Buctouche needs a day centre", the province can say, "Yes, but so do all the other 300 or 400 like communities in the province".

Senator McElman: Was there any volunteer input or was it all paid?

Mr. Shorten: It was all paid, sir.

Senator McGrand: Will that park give very much employment locally?

Mr. Shorten: Yes. I don't have the figures at my fingertips at the moment, but in the construction phases, seasonally, up to about 200 a year; in the maintenance phase perhaps 52 or 53; and most of that, other than supervisory staff, could be local. This does not take into account the spin-off from the deep-sea fishing and so on, which could be done by fishermen who used to be in the park, and so on.

Senator McGrand: How many people were displaced when they took that park over? I have a very hazy knowledge of it.

Mr. Shorten: There were 1,132 who were actually resident in the park when it was expropriated.

Senator Norrie: That is people?

Mr. Shorten: No, 232 families.

Senator Michaud: Mr. Shorten, I must apologize for missing the greater part of the presentation. There was a presentation made last night by one of the farm representatives to the effect that, if farm projects were included in your mandate—we understand now that they are not—if projects of the same nature as you have been carrying on in the oyster field in Buctouche of a scientific and practical nature, do you feel that that could be carried on as well in the agricultural field, provided, as I have just said, that your mandate would allow you to do it?

Mr. Shorten: I can be a little bit careful on this one, sir. Shall I put it this way: as the executive director of NewStart, I do what the provincial and federal governments agree should be done.

Senator Michaud: That is where your mandate comes in?

Mr. Shorten: That is where my mandate comes in. Were the federal and provincial governments to say that it was desirable, or agree with the plan that NewStart should take on the agriculture of Kent County as we took on the oysters, I would be glad to do it.

Senator Michaud: And you think it would be practical?

Mr. Shorten: It would be practical. I would not guarantee that we would work any miracles.

Senator Michaud: Provided you had the qualified personnel and staff.

Mr. Shorten: If we were given the mandate it would be a question of getting the right staff and planning everything properly and working with the people to achieve the end.

Senator Michaud: Thank you.

The Chairman: Any other questions?

Senator Norrie: How many fishermen did you have to relocate because of that park?

Mr. Shorten: The figure is a bit hard to pin down. Out of 232 families, quite a few were fishermen, some were part-time fishermen and some were fishermen's helpers, but it is hard to say actually how many men you class as fishermen. I would say perhaps 200 of the men in the park had some claim on fishing.

Senator Norrie: Were they able to do fishing in other areas?

Mr. Shorten: They are permitted to go to other areas. There is a lot of opposition, naturally, from other fishermen, who feel that they have rights to that ground and that there are not enough fish to support what they have already got, but legally they have every right in the world to go wherever they choose.

The Chairman: If there are no other questions, it is almost 3:00 o'clock. I thank you very much, Mr. Shorten, for your illuminating talk. Thank you.

The next item is to hear from the Buctouche High School Students' Council. These are local students, well known to Senator Michaud, and I am sure we would be pleased to have Senator Michaud introduce our next witnesses.

[Translation]

Senator Michaud: As senator Argue has just indicated, our next witnesses are representatives of the Clément Cormier Composite High School of Bouctouche, represented here by its Student Council, the most remarkable, without doubt, that we could have found. They are our guests. I am delighted to welcome them. I know that they will give us information of an extraordinary nature.

I have, in full confidence, asked them to come and give us their interpretation of the agricultural problem as it exists presently in our region.

I also bid welcome to those who accompanied them here on this very special occasion. I see at least three of their teachers, Mr. Alain for one, and Mr. Leblanc, Personnel Counsellor, who is, at the same time, mayor of this village, St. Antoine, Mr. Leblanc, whom—I repeat—we are very glad to welcome and, without saying anymore, I would ask the two spokesmen of the group we are welcoming to take the witness stand.

They will be Mr. André Leblanc, one of the spokesmen for the group, Vice-President of the Student Council of Clément Cormier School, and Miss Adrienne Léger, Vice-President elect.

Miss Adrienne Léger, Vice-President Elect of the Student Council of Clément Cormier Composite School: This is the brief presented to the Senate Committee on Agriculture by the students of Clément Cormier School on June 14, 1973.

We want to thank the senators for their invitation to come and give our opinions before this Committee, which is prob-

ably the last hope to make farming profitable in our area, Kent.

We are happy to learn that, after 40 years of inactivity, your Committee is finally becoming recognized.

For the last 48 hours, our group has tried to dig into the immediate problems of agriculture in our area.

We wish to publicize some of the student ideas, their concern and their recommendations to revive agriculture.

The lack of information: We wish to congratulate the government for all the new "programmes" which developed these last few years. But unfortunately, the government apparently wants to keep this information secret. Practically nobody knows about your efforts.

Information about agriculture in school is as rare as money. Services available from governments, information about market possibilities... what are they?

How do you let people know that a farm is a business and not a last resort. Most young people think that a farmer is an uneducated person who works in hay and manure. Is this true?

Great possibilities for careers exist in agriculture: agriculturalists, apiarists, veterinarians, aviculturists, etc., but students do not know about them. Is it possible to know about them?

Lack of courses: Why do young people not choose careers in the field of agriculture?

The lack of information and, especially, the lack of courses in French are the reasons. This is why there should be courses offered to interested parties in schools, institutes and universities.

As early as secondary school, courses in the field of agriculture should be offered to students as an option.

Negative attitudes: There are many negative attitudes toward agriculture especially among students.

After a survey, we find that out of 750 questionnaires distributed to students only 150 were returned.

Parents are partly responsible for this situation. Without their support and encouragement, young people cannot continue in this field.

Present farmers and even non-farming parents show indifference and often discourage the young.

Parents are not necessarily to blame, because maybe they lived with agriculture in its difficult moments.

The present generation differs from the older one by its mentality, it enters society at a difficult time in its history. Young people in the very near future will have the task of restoring the importance of agriculture.

The government seem indifferent to this primary sector which is essential to man. How do you ensure the prosperity of the secondary and tertiary sectors without a strong primary sector?

Special programmes: Students are showing initiative. They apply for summer projects under the Opportunities for Youth Programme.

Many projects are accepted and this is a good thing. But, can you find a project on a farm in New Brunswick?

If a group of young people wanted to restore an old farm, would their project be accepted?

"An experimental farm... what a marvel? say the people in Fredericton. And, the people of Kent County? Will they be able to say that one day?"

Mr. André Leblanc, Vice-President of the Student Council: Why are the young people going to the country?

"The prospect of a dehumanized technical culture worries them... how can they find peace, liberty, order, prosperity and progress in the many different living conditions in so many countries of the world? How do you spread around the whole world the degree of human welfare reached in some of its parts? How do you profit from the advantages of a rapidly growing technology without destroying the other values that are dear to us?"

For reasons of health, the search for peace and quiet, the love of space, of land and of animals, many townspeople turn to rural areas.

Agriculture is not only an industrial fact, it is a means of discovering beauty and value in life.

RECOMMENDATIONS:

First, the federal and provincial Departments of Agriculture should send information officers who would show and explain to the young people government programmes and services related to agriculture.

Secondly, the Departments of Agriculture should make studies on the regional market possibilities and give the results, not only to farmers, but to the whole population.

Thirdly, the government should wake up the students and the public in general about the possibilities of jobs and careers in the field of agriculture.

Fourthly, our Committee thinks that institutes, universities, Canada Manpower Centres and other agencies should co-ordinate all courses in the field of agriculture. These agencies should carry out a publicity campaign to inform people of these courses.

Fifthly, the government should establish and maintain an experimental farm in Kent County. This would solve many problems: the lack of information for young people and the public in general, the wrong attitude of people toward agriculture, etc. Students in composite schools should be able to work on this farm and use its facilities.

Sixthly, schools should receive grants to allow them to organize courses related to agriculture, such as farm mechanics courses. These grants would pay for the facilities needed for these courses. This would be done in co-operation with the experimental farm.

Seventhly, the government should stop downgrading agriculture and promote improvement in this field through Local Initiative Projects or Opportunity for Youth Projects.

The government could reserve a certain number of projects for matters related to agriculture. Projects liable to stimulate agriculture would be preferable.

Eightly, the government should also favour the organization and development of production and marketing co-operatives. It should also help to organize the develop secondary farm industries.

Ninthly, as the future of agriculture depends on young people, they should be initiated in agriculture. A good way would be to accept Opportunities for Youth Projects which

would allow them to work during the summer to help farmers in need of manpower.

Tenthly, interest of young people in agriculture could be stimulated by subsidizing trips to experimental farms, such as in Charlottetown, Fredericton and Truro. It would also be important to allow young people to visit commercial and modern farms.

Eleventhly, the government should pass legislation to protect arable land and the small landowner. Also the government should favour the establishment of co-operative ownership for abandoned farms and arable land for sale.

Twelfthly, the Senate Committee on Agriculture should not wait another 40 years to take action on our first eleven recommendations.

Senator Michaud: We thank you very much. You did things very well, I assure you.

Now, I have no doubts that some members would like to ask you some questions. We will start with Senator Lafond, and then . . .

[Text]

There will be some who will wish to ask questions in English. I will translate them to you, and you can reply to them.

Senator Inman: I have a question. Mr. Chairman, I was very interested in the brief we have just heard, and I would like to ask the witnesses if they think that among their colleagues there is a growing feeling that the farm is a good life to go back to or to take up, and would many of them prefer to live in the country rather than try to live in the cities, or take up the sort of life that they have to live in cities?

[Translation]

Senator Lafond: Thank you, Mr. Chairman, I wish to congratulate, the same as all my other colleagues, the Clément Cormier Student Council of Bouctouche for offering us such a scintillating and, at the same time, positive brief.

At the very beginning of my remarks, I would, indeed, like to pick up the second paragraph of your introduction and the last one of your brief.

I object to your 40 years of inaction; what should have been said is forty years of non-existence, because this was emphasized only a few months ago, and, without reflecting in the least on my older colleagues, or on my younger colleagues, as Senators, but all the same older, I must say that it is a little due to the initiative of the younger senators, such as Senator Argue, Senator Michaud—they could be called middle-aged—and myself, that an Agriculture Committee was formed in the Senate.

During my last visit to Moncton, maybe 12 or 14 months ago, it was with the Joint Committee of the House of Commons and the Senate on the Constitution of Canada, there was one recommendation among the recommendations of the Committee stating that, from now on, if this recommendation was accepted, the voting age would be sufficient to reach the Senate. Thus, among the Bouctouche delegation, I see many potential candidates, even if this recommendation was not universally received, there are surely many young men and women in school in Bouctouche who would love to sit in the

Senate where they would certainly contribute greatly to our proceedings.

Now, about your recommendations, your sixth in particular:

"The schools should receive grants to allow them to organize courses in agriculture."

Before and now, on many occasions, we have received recommendations that for educational and vocational guidance in the field of agriculture,—which is one that has been, last year, this year, and will be in future years, more prosperous, and it is to be expected that it will become more and more prosperous and increasingly attractive—there must be great improvement in the field of education.

You will understand, as we are constantly reminded, that the field of education is one that comes almost exclusively under provincial jurisdiction.

We agree completely with your demands, but I would like to ask you what pressures you, in your minds, are ready to apply? What actions are you, yourselves, ready to take against the provincial authorities to reach the objectives, the goals, which are quite legitimate, that you have proposed.

Senator Michaud: Well, you have understood Senator Michaud's question. What representations would you be ready to make and what pressure to apply, as students, to the provincial authorities? This is exactly what you have said, to obtain what you indicate, to have more information about agriculture in our schools?

Miss Léger: In the first place, we are here. We have, all the same, taken steps to represent the farmers and to have our requests accepted, or at least to come and present our requests.

If there is information about agriculture in our schools, if we can do something on behalf of agriculture, we will try to explain it to the other students.

[Text]

Senator Inman: I would judge it was a better employment, if possible, than any other. I was born on a farm.

Mr. Dupuis: Me too.

[Translation]

Senator Michaud: Senator Inman asks the following question.

First, are there any amongs you who would be ready to live the rural life in the country, the farmer's life, if this kind of life would allow you a living?

This is the question.

I understand that an answer is coming.

Mr. Hubert Dupuis: If it was possible to live from agriculture on a farm, to live the rural life, I certainly would prefer this to city life, because, through farming, you are in the open air. First, it is better than in an office, there is less noise than in the city, noise is hard on the nerves, you can die from noise pollution, which you do not have in rural life, and myself, I would prefer that personally.

Senator Michaud: Very well.

Are there any other comments on this matter?

Mr. Ulysse Léger, C.B.C.: As a former teacher, I am quite interested in education. I became involved in programs for

teachers, on provincial policy, with the Union, the Teachers' Union, courses must be cut or regrouped in the schools, in districts 11 and 12, where they talk of removing courses. Districts 11 and 12 include the Kent area, if I am not mistaken. Therefore, if they must remove courses, how do you expect to have agriculture courses, if they are not already there?

How do you expect these young people to pressure the Provincial Department of Education to obtain courses in agriculture, if it has already been decided that, next year, a certain number of teachers will be removed and, consequently, a certain number of services will be discontinued.

Mr. Delorme Cormier: As a means of pressure, to answer Senator Lafond's question a while ago, the Student Council is seriously considering that next year, at the school boards elections, it will present a candidate, a person more than 18 who could be backed by the people of the school and of the surrounding areas, by the young people; this is a possible means of pressure for the future, and then we could pressure the Department of Education and the other departments by having a student representative on the School Council. A representative who had been duly elected, I think that this would be a means of pressure.

Senator Lafond: I congratulate you for that. You understand that I did not want to suggest that you should strike.

Mr. Delorme Cormier: We did not even think about it.

Miss Andr  a L  ger: I would like to help Hubert answer the lady's question. I think that you have a false impression, in my opinion, of a farm.

A farm is net leavings, it is an operation, it needs work the same as any other venture, it is also as good a job as any other.

Senator Michaud: As long as you can make a living.

[Text]

Mr. Dupuis: In answer to Senator Inman's question, we feel that the exodus of young people to the city, either to the Canadian cities or the American cities, who have seemed to have moved around and bought the farmland, shows a lot of interest on their part in leaving the turbulence of the larger cities and establishing in small communities with fresh air.

Senator McGrand: Do you know of anyone from the city who has moved into Kent Country and taken over farms?

Mr. Dupuis: Yes, people have come in from New York and other parts of the States and have started farming.

Senator McElman: That is good, because Kent Country has actually populated about half of new England over the last 20 years!

Mr. Dupuis: The tendency is, if they go to the States at all it is go for a couple of years returning to the family farm, or to buy another.

Senator McGrand: Mr. Chairman, I would like to ask our two witnesses if they were both brought up on farms.

[Translation]

Senator Michaud: You were born on a farm?

Mr. Andre Leblanc: Yes.

Senator Michaud: And you, whose daughter are you?

Miss Leger: Paul L  ger is my father.

Senator Michaud: And your father was not a farmer?

Miss Leger: We have always kept animals at home for our own use.

[Text]

Senator Michaud: Mr. Leblanc says he was born and brought up on a farm. Miss Leger says she was born and brought up in a home where her father always practiced farming as a hobby but had another occupation.

Senator McGrand: Would you ask how many present were born or grew up on farms and how many are willing to go back to the land? Ask them to put their hands up.

[Translation]

Senator Michaud: How many of you were born on a farm? That is the first question.

So, there are five.

The second question: how many of you would be ready to live on a farm?

So its nine.

[Text]

There is more than the first time.

Senator McGrand: Kent County's beauty shows.

Senator McElman: Could I direct a question to Mr. Dupuis, I believe it was, who expressed a preference for farm or rural life over urban life? What differential would you be prepared to accept for the better rural life? If hypothetically the opportunity were available to you for a \$7,500 a year income from farm activity and there was available to you in Moncton a \$10,000 job in a small industry of some nature, would the difference of \$2,500 encourage you to leave the farm, or is the satisfying life of the rural community worth \$2,500 of revenue to you?

[Translation]

Senator Michaud: Have you understood the question?

Mr. Dupuis: Not really.

Senator Michaud: He is asking: if you had the choice between a job on a farm at \$7,500 a year or another one in town, in Moncton, at \$10,000 a year, would you be ready to sacrifice the difference to live in an environment you prefer despite the difference of \$2,500?

Mr. Dupuis: If I absolutely needed the \$2,500 to live I would have to work in town but I would much prefer to be able to live with my \$7,500 in the country, on a farm.

Senator Michaud: As long as you can make ends meet.

Mr. Dupuis: Yes, if I had a big family and needed the extra \$2,500, well, I would have to work in town.

[Text]

Senator McElman: In other words, then, if the income from farming and what may go with it as income in a rural community is sufficient for yourself and the family that you

undoubtedly will begin to acquire as years go on you would not seek other employment at a higher-paying level simply because of money?

A Spectator: No.

Senator McElman: Do you have a 4-H Club or its equivalent in your high school?

[Translation]

Senator Michaud: There is no 4-H club in Bouctouche school?

Mr. Dupuis: No.

[Text]

Senator McElman: Is there any organization in your high school that directs its attention specifically towards agriculture?

A Spectator: No.

Senator McElman: Has there been any encouragement from your teaching staff or the Department of Education to establish such a club?

A Spectator: Not that I have heard.

Senateur Michaud: Est-ce qu'il y a quelqu'un d'autre qui veut faire des commentaires là-dessus?

[Translation]

Mr. Jos E. Labelle: First of all, I think you go into too much detail; you give figures, you ask him whether he would sacrifice money to live in town or in the country; we must first of all make agriculture profitable, attractive to these young people who want to go into it. They have shown it by their presence here and they have proved it by the resolutions and the recommendations they have presented; it is not a question of quoting figures like \$7,500 or \$10,000. They don't want to stay in town, they have proved it. What they want to say is that governmental agencies should work directly and indirectly through an organization like Relance with programmes which could apply to agriculture.

There should be experimental farms to train young people; they could take advantage of it and they could learn what farm business is about I think it is all they need; they can do the rest themselves.

As for the \$7,500 or \$15,000, they are the ones who will earn that money; you should not mention figures to them like that.

[Text]

Senator McElman: Do not misunderstand me. I was not trying to nit-pick or go into detail, I but to get the depth of the feeling involved.

[Translation]

Senator Fournier (Restigouche-Gloucester): Mr. Chairman, in 1927, when I graduated from St. Joseph University, I didn't have much choice; I didn't have the choice you have today of going into engineering and that sort of thing; I had the choice between the priesthood, medicine, law or agronomy; it is probably the latter I would have chosen but I decided to stay on the farm and I have never regreted it even if it was

difficult; if I hadn't been sick, I would probably still be on the farm.

It was not a question of money; if I had gone into medicine or something else, I would probably have made more money.

Now, I do not know whether present conditions would be as encouraging as they were then because we do not see agriculture as a very prosperous field; but I hope that in a few years agriculture will be somewhat more prosperous; I do hope so.

Miss Andrea Leger: Why do we see agriculture on the dark side?

Senator Fournier (Restigouche-Gloucester): I say so because for the past 10 to 15 years at least, maybe a bit more, farms have been deserted.

We passed yesterday through a parish of your county which used to be, I know, a prosperous farming parish where there were maybe 125 farmers and we found only four or five yesterday.

They have left their farms; there must be reasons.

Miss Andrea Leger: They had to leave.

[Text]

Senator Williams: Mr. Chairman, I appreciate the brief of these young people, particularly at a time when they are going through a difficult age and agriculture is experiencing problems in Kent County. I myself was brought up on a farm as a young fellow. I hated it. Now how I wish I was back there today. It was the most wonderful part of my life.

I would like to pose a question to the group: If an opportunity were provided, either by government or an appropriate organization, to make available one of the abandoned farms in the County to be operated under supervision of capable personnel by four or six young people during the agricultural season of the year, would this be an attractive initial start for students?

Mr. Dupuis: I feel that just these hearings will attract enough interest. People do not consider agriculture to be a career, but think of professions such as medicine and law or trades in construction or industry. The view of many on the farm seems to be that those not smart enough to go to university should attend technical college. I feel it just takes a little bit to start interest and once that happens farming will again be a viable industry in Kent County.

Senator Inman: That is good news.

[Translation]

Mr. Louis-Marie Melançon of L'Évangéline: This is in response to the question Mr. Fournier asked earlier on, that is why so many people had left their farms during the last few years. I had the chance last night to look at some briefs which were submitted here and I found your answers in them. I do not think you have to ask the students of l'École polyvalente, to give you those answers, you received them last night.

I noted especially the brief submitted by Mr. Philippe Bourgeois which gave several explanations to the question you have asked; and one of them was that up to a few years ago, taxes and mechanization caused our farmers to go into debt, after which they had to leave.

Now, farmers have a somewhat better chance to earn a reasonable living on their farms and I think that those who are now on the farm want to stay there; and these young people, as you can see, want to go back.

Senator Fournier (Restigouche-Gloucester): I thank you for your answer. Maybe I wasn't very clear; I didn't ask the students whether they would choose agriculture; I asked to myself whether, under the present circumstances, I would do the same thing I did in 1927, whether I would choose agriculture as a living.

That is what I wanted to express after mentioning having seen abandoned farms; I would have asked myself whether life was possible in agriculture and probably my choice would have been different; that is why we can't blame our young people for not going into agriculture under the present conditions.

If we can adopt legislation and policies which could revive agriculture, especially on small farms, family farms, to be able to make a living out of it, I think there would be enough young people to return to it. You have just said you prefer the country, rural life, the farm, providing you can make a living out of it; that was the whole idea.

Senator Michaud: Any other comments from the young people?

Mr. Dupuis: I think the major problem among young people, the reason why they don't go and live on farms as much as before, is the lack of information. Without information, they are not interested, and if they are not interested, they won't do it, they won't go and live on farms. What will happen in the end is that there won't be any more farmers in the county.

Therefore, if you want to help, you have to rouse interest by making information available and by providing governmental services on agriculture.

[Text]

Senator Norrie: How many young people here today would apprentice on a farm for the next two or three years during vacations from school? I am supposing, of course, that you are not very experienced in farming and maybe would learn various trades and methods. Would you be willing to learn how to farm in that way, if the opportunity were offered to you?

[Translation]

Mr. Dupuis: During the last five summer vacations, I was on a farm for "the chap in green coat". We have our own farm but it is gradually going bankrupt. For that reason, for the last five years, I have worked on my parent's and on someone else's farm.

Senator Norrie: You live on a farm?

Mr. Dupuis: Yes.

[Text]

Senator Norrie: Are there any in the audience who do not, but would like to live on a farm? I see that almost all of you would.

[Translation]

Mr. Dupuis: Maybe it would be a good idea to have some Opportunities for Youth programs enabling young people to go

and work on small farms. It would encourage them and rouse their interest.

[Text]

A program for grants to revitalize rundown farms which summer of good hard work by a couple of students would put back into shape and production would be of assistance to the students, who would get agricultural work, and for the farmers who need help.

Senator Norrie: Are you Grade XI or XII students?

Mr. Dupuis: No, we are all from Grade X to XII.

Senator Norrie: Well, you would have a good two or three years available, wouldn't you?

Mr. Dupuis: Yes.

Senator Norrie: Would you like to go on and take agricultural training if you possibly could?

Mr. Dupuis: As it is now we know almost nothing about agriculture. That is why we are here, we would like to learn.

Senator Norrie: You have the urge to do it, though?

Mr. Dupuis: Right, if we knew something about it.

Senator Norrie: This is what we want to know, how much desire there is to take up agriculture.

Mr. Dupuis: As I say, we don't have anything to go on. We don't know any more about farming than many, which is not very much. During the last two days we have learned a lot while preparing our program.

Senator McGrand: Are you living on a farm now?

Mr. Dupuis: I used to but my father had to give it up because he didn't have enough money.

Mr. Paradis: I myself have been accepted for agricultural training. I intend to become an agrologist if I possibly can. As to how much desire there is among young people, I do not believe there is very much. In my opinion the main reason is indifference on the part of most and because of lack of information. Information could make a very great difference and many recommendations are breaking the cycle. When that happens probably agriculture will become more productive, better people would take it up and the problem would erase itself.

Senator Norrie: Don't say "better people" . . .

Mr. Paradis: Better qualified.

Senator Michaud: Mr. Leblanc, besides being a teacher at the high school is the Mayor of the Village of St. Antoine.

Mr. Leblanc: If the Village were responsible for agriculture, I don't know what I would do about it. I know that as teachers it is very hard for us to help promote agriculture among the students. The required information is not available, nor are qualified personnel to reach and money to fund the course. It is easy for a secondary school to obtain \$100,000, \$200,000 or \$300,000 to provide mechanical training in motor mechanics for students. A shop for 15 or 20 students will cost \$150,000 to \$200,000. On the other hand it is impossible to obtain from the school board \$10,000 to help ten or fifteen youngsters learn more about agriculture. We could ask for it many times and

always be told it is no use training a youngster for agriculture because he will not stay in it. When such an attitude prevails among those guiding the educational policy of school boards, it is no use going against the current. We cannot stop it. Even if we offered a course next year, let us say, in agriculture, without equipment to work with and the money to visit farms for practical work and experiments, the course would not be interesting. It would not compare with courses in motor mechanics or electricity and it would be difficult to interest students and keep them for three years. You can't guarantee them a job afterwards, you have no guarantee of any life or anything like that. On completion of an electrical or mechanical course they receive a certificate and are qualified for employment at \$3, \$3.50 or \$4 per hour. A student cannot leave school with agricultural training and buy a farm, because he doesn't have the money. He could easily borrow \$5,000 or \$10,000 for a car, but not to buy a farm. A car is a good asset, for which finance companies will make loans but they will not take a farm as security. Some young people have applied, but loans are not available.

As for the farms that are being abandoned in Kent County, many are sold by parents of 55 or 60 years of age. They ask the son if he wants the farm. He does not know the potential of a farm or 100 acres of cleared land. Even if he wanted the information he could correspond with the federal or provincial department of agriculture for three months and still not receive many answers. He would be lucky to find one person willing to help him.

One student last year wanted to raise strawberries and so he wrote to the department. He received a small leaflet of about two pages, setting out the type of strawberry he could plant and so forth. Then he wrote to the federal Department of Agriculture, receiving a pamphlet applicable throughout the country, but not particularly to this region. He received no better advice than that, just a letter saying, "Here is everything we have". A strawberry culture cannot be established on the basis of a pamphlet of two pages. An interested young fellow should be given more help than that. When a young fellow sees a big company buying a farm of 100 acres and planting it with small trees, he doesn't know its potential. It was sold for \$600 or \$2,000 and in ten years will be worth \$10,000 or \$15,000. He does not know that, because nobody told him. It is going on every day and the young people are not getting the information they need. A program should start now with the information, after which I think the students will take advantage of any course that may be given. However, in the absence of the information, they will never become interested.

On Monday at school, we gave out 750 questionnaires as contained in the brief. We asked for their return three times on Tuesday and received 150. Some students had lost them and some returned them only half completed. They asked "What is the use, why do you want to know that?" They were not interested and the committee did not know how to get such interest. Out of 750 we got 12 or 13, but I think they were a good choice. They volunteered to help prepare this which they did in two days. As they said, they learned more in two days about agriculture than in 10 to 12 years in school.

We invited a few farmers over for a discussion. We asked them if they wanted to attend this meeting, but they were more interested in and had an immediate goal of finding information. They have some, but much more can be made available to them.

Senator Inman: If governments made available a loan with a very low rate of interest over a term of 30 or 40 years when your students graduate, do you think many would be interested in acquiring land on those terms?

Mr. Leblanc: The money should be made available together with the necessary services. A youngster of 20, 21, 22 years of age cannot succeed on a farm without assistance in addition to financing. If he was really convinced that agriculture is a viable career and he could make money out of it, he would be as likely to invest \$15,000, \$20,000 or \$30,000 in a farm as in a small venture such as a garage or a store. The terms in which agriculture is discussed, however, coupled with a continued tendency on the part of government to subsidization, indicates that it is not viable. The necessity to subsidize indicates that an operation is not running as it should. A youngster hears that continually and decides that if he borrows \$10,000 he will not be able to pay it back; which means he will not be very confident of success. He is convinced in advance that he will be bankrupt in five or ten years. When borrowing \$20,000 to start a small business it is accepted that interest charges must be paid. Maybe it would be better to start with 5 or 6 per cent interest, but that is not really the problem. With the appropriate information, technical assistance and basic services available during the first, second and third years most youngsters are of the opinion developed during the last two days. They would be ready to work on a farm and try to make it succeed. They will even persevere for four, five or six years to make a profit out of it. After five years, however, or perhaps only three or four, if they can't get anything out of it, I think it would be logical for them to drop out. Nevertheless, given the necessary assistance, I am quite sure that they could succeed. In Kent County we have good farmland is available at reasonable cost. Land at \$10 or \$15 per acre, which does not require investment of thousands and thousands of dollars for acquisition and equipment, will be productive. Markets are available here. The Moncton region has a population of approximately 100,000 people, who now buy over half of their agricultural products from outside the region. All the land in Kent County could therefore be cultivated. Many of the young people understand that, but they do not have the know-how, information or technical knowledge to enable them to harvest those carrots, potatoes and all the other produce. Yesterday we discussed grading cattle and leaving them outside instead of building big barns costing you thousands and thousands of dollars. This is being tried by some farmers and is working out. There is no point in spending \$10,000 on a barn which is not needed. Livestock can easily be raised outside during the winter here. But some farmers don't know enough about that to try it. If the information is made available young people will take advantage of it and in a few years 10, 15, 20 or 30 of them will take over old farms and many more will take the necessary training to enter agriculture.

[Translation]

Senator Fournier (Restigouche-Gloucester): Mr. Leblanc, Mrs. Norrie, who is sitting beside me, whispered into my ear when you said you had received only 12 answers to your questionnaire, that you should not get discouraged because our Lord started off with 12 disciples.

Mr. Guy Leblanc: I think that the students who answered our request have shown by their work during the last 48 hours, that they are interested and I think that they are receiving presently the information they were asking for. I even think

that if the government did not do anything new, they would be sufficiently interested to go out and find the information.

Mr. Jean-Paul Leblanc: I wonder if the figure 12 is beginning to be important, 12 apostles, 12 senators, 12 recommendations, there are many twelves.

Senator Michaud: We work by the dozen.

Mr. Jean-Paul Leblanc: Personally, an important thing I have noticed in school, and in the province is that there are no French courses for students who want to specialize in agriculture; not all the students are willing to take four or five year courses to become agronomists. For example, a course is presently given in the vocational school at Canso. The French title of the course is General Farming. It deals with agriculture and multiculture. One student in our school, who is finishing grade 12 was interested because he had lived on a farm. He made an application. He met the conditions but he was told that he could not be accepted because he had to be outside the school system for a year before he could be accepted.

What happened? This student went to work for one year. He found a job. Now he does not know if he should leave his job or continue.

Therefore, there is a risk that this same situation will arise for other students. There is also another problem. I think that it is the lack of information at the secondary level. I think that if there was more information, there would be more interest. The students are not aware of the federal and provincial programs.

Are studies being made on markets, returns and feasibility?

I think that there is a definite lack in this area. Some studies are perhaps being made, but they are not recognized.

Mr. Charles Goguen: I think that Mr. Leblanc is wrong when he speaks of studies. This has been discussed. We know that these studies have been made. In fact, we do not know it really. We were told so, but these studies have been made, but there has been no trial, no attempt to tell people that they have a chance to produce; you have a certain market, it would be possible to raise such a type of livestock.

We leave it to the people to go and discover all that they can do. This is unfortunate, but I think that they should be told what possibilities they have.

Senator Michaud: You mean that it would be better to go out in the field and give them the information?

Mr. Goguen: Yes. Because information regarding available courses can be obtained by anyone, but if the people are not interested, they are not going to ask for them.

Senator Michaud: I would not say that they are not interested, I would rather say that they do not know how to set about getting the information; if someone explained it to them, they would be happy to receive the information.

Mr. Goguen: There must be information, even if people are not interested in agriculture, maybe they will think about it for later on.

[Text]

Miss Leblanc: In connection with the youth program, if somebody was interested in rebuilding an old farm, how many of you would be in favour of it? Would it be possible?

Senator Michaud: Charlie, you can answer that.

Miss Leblanc: Who is Charlie?

Senator McElman: I am the woodlot expert.

Senator Michaud: What is the answer to that? She wants to know if you would support a local initiative project to rebuild a farm.

Senator McElman: Well, senator, at a time at which young people would be available to work on such a project, LIP projects are not available. LIP projects are designed to pick up the level of activity when it is most needed in the year when unemployment levels increase. They are not effective under current legislation during that period of the year when students would be available. I like your idea very much and wonder if it has to be the government which brings forward such assistance. Might there be at the local level adults who, as long as the students themselves showed an intense interest would be excited to the degree that they would offer financial support to such a proposition?

Miss Leblanc: Why should they support it, rather than the government?

Senator McElman: Because the interest of the students is to learn, presumably, and to contribute their effort. The interest of the adults would be to bring another farm back into production and the cost should not be high. I know one corporate entity within your county, of which I have been very critical in one sphere of activity, which I am certain would have sheer delight in assisting such a program. The parable is related that Christ started out with twelve disciples, so one should not be discouraged. Free enterprise and initiative should not be discouraged either. Christ started out 2000 years ago with his twelve disciples and now there are millions upon millions of converts. A Kent County boy started out with about \$12 and in a much shorter time through private enterprise has done much for New Brunswick, and himself. There is still room for private enterprise and initiative in addition to government.

I sense that these young people have a tremendous feeling, as seems to be generally the case in Canada, of love of the soil. If that love is as intense as it appears to be, the financial means can be found to obtain old properties, younger people's initiative can be channeled in the right direction and a very useful experiment conducted. I am simply offering you an alternative. No one here can predict what government will do for you this year or next year.

The Chairman: If I might add to that, it is true the opportunities for youth and the LIP programs are seasonal. However, we are here because we think that steps are not being taken which should be taken. I am sure that if you can convince us—and you have convinced me—that this is the type of program that the government should support by way of funding and, perhaps, leadership, if we can persuade others then certainly we can promote such programs. Your idea is excellent and follows from the proposals that you have advanced, namely that training, information and apprenticeship should be available. I think it is a great idea. I am not that old but in the last few years I have raised teen-agers, who all wish to farm. When they are 16 they want to go subsistence farming, just find a commune somewhere and hole up. As they grow a little older they want a little more money to go with it, but they are certainly interested in agriculture and in rehabilitating old farms. This type of program which would give young people a chance on their own initiative, with some help,

to rehabilitate an old farm and see what they can do with it, is a good idea and a few of them should try it.

Miss Leblanc: You say we should convince others, but who are the others?

The Chairman: The remainder of our committee, which will not be difficult.

Miss Leblanc: Can you give me a hint as to how we should start?

The Chairman: You are doing extremely well.

Miss Leblanc: I think that would be one of the best ways we could learn farming. If that is not possible, maybe a dozen youngsters could go and help out someone down in the dumps or ready to fail.

The Chairman: That is a good idea.

Mr. Melançon: Senator Argue, could I ask to whom your recommendations will be given and when they may be implemented?

The Chairman: The recommendations will be contained in a public report to the Senate. It becomes, then, in the public domain and if there are recommendations, as I believe there will be, to various governments, we would hope that at that time they would pay attention to them. We are a body of the Senate, however, to which we report. However, it will be a public report and to the extent that it affects other authorities we would hope they would give it consideration. In addition, there is always the possibility that we can follow up by continuing to discuss our own recommendations in the Senate. This could be done by means of motions along the lines that we have recommended perhaps even the introduction of legislation.

Mr. Melançon: Thank you.

[Translation]

Miss Jeanelle Leblanc: I am a member of the group. In my opinion, the problem is mainly a money problem. Young people are easily influenced, so if the government, the parents and also the pupils think that it is worthwhile to go on a farm, you might happen not to know it because you simply do not know it, or else be unable to enter an institute. I think that the Government should help young people by telling them that a small farm is a good thing, and that everything can be improved with your help. If from now on young people were told that a farm is a good business, that to go there is a good move, I think that many young people would be interested.

[Text]

The Chairman: Agreed.

Senator Norrie: May I say a word? I would like to say to these young people, dream your impossible dreams. You have no idea how many of them come true.

Miss Leblanc: Why should it be impossible?

Senator Norrie: It may not be.

Mr. Leblanc: Everything that has been said here today by our group brings to the fore the fact that information is needed. The students must also be taught that farming no longer consists of just having three cows and a horse, but is

now a business. During our preparation of this brief a farmer from the area visited us. He did not give the impression so much of being a farmer as a businessman. He had set up his business as a young farmer and was doing very well. There would be more interest if people knew what a farm consists of today, rather than the concept of 50 years ago.

[Translation]

Senator Michaud: Well, I think that everyone has had an opportunity to say what he had to say. All I have to say now is thank you.

You can be assured that we greatly appreciated your contribution this afternoon and that all your recommendations will be given all the importance they deserve in due course. Thank you very much.

[Text]

The Chairman: I am sure we are delighted to have with us now to speak to us, Mr. Willard Dernier, general manager of the Maritime Cooperative Services. I think I would ask your spokesman, first of all, before he gets into his brief, if he would just explain to us the composition of the Maritime Cooperative Services, so that we will just have an idea of the component parts and who you are speaking for and so on?

I am sure that the senators are as well aware as I am that in this part of Canada the cooperative movement has a very special place and has made a very special contribution. Some of us have had the opportunity of looking through your brief very quickly and I am certain that it is a valuable one. We recognize the worth of your organization and it is my pleasure to call on Mr. Dernier at this time to speak.

Mr. Willard D. Dernier, General Manager, Maritime Cooperative Services Limited: Mr. Chairman, honourable senators, first of all, may I express our appreciation at being afforded this opportunity to appear before you, and as you have suggested it should be worthwhile to explain the structure of our organization which is the central wholesale organization of the cooperative retailers of the Atlantic Provinces, that is, the four Atlantic Provinces of Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island.

Our ownership is vested in 200 corporate retail cooperatives from ten zones represented by ten directors, several of whom are here today. Our organization started in 1927 as a livestock marketing group when small marketing organizations shipping largely lambs and hogs were organized and it was found necessary to have one-desk selling, and this was the beginning of our organization which at that time was supported largely by the federal Department of Agriculture.

It has grown from that to a multi-purpose organization. We now supply agricultural inputs, feed, seeds, et cetera to the agricultural cooperatives, petroleum and consumer supplies to the multi-purpose cooperatives and consumer cooperatives; so it is on behalf of approximately 40,000 cooperative members in the Atlantic Provinces, a large percentage of whom are agricultural producers, that we appear before you.

I have with me at the front, Mr. J. E. Walsh on my right, a long-time director and father of our organization, a very large dairy farmer in the Moncton area, who has proven, I think, that it is possible to produce off the land of this area using proper practices and fertilization et cetera. On his left is the manager of our livestock department, Walter Little, who is a former farmer resident of Kent County, a former County

councillor of that County, and I think these two gentlemen can speak to you from practical experience in this area.

In the audience we have our agricultural committee from the three Maritime Provinces, all of whom are active farmers, one of whom, Mr. Cormier is also a farmer from Kent County. The others are from the other three provinces, and I am sure they can contribute from a practical standpoint in the question period that I trust will follow.

Now, with your permission, perhaps I would read the brief as an introduction.

We are honored and pleased to have this opportunity to meet with you to discuss the future of the agricultural industry in Kent County, and in the Maritime Provinces generally. We believe that many of the circumstances which are inhibiting the agricultural industry in Kent County are characteristic of the whole Maritime region.

We are particularly pleased to see the Senate Committee taking an interest in this problem. The record shows that such committees of the Senate have been effective in dealing with this type of problem. We believe this is because your investigations tend to be less formal and more to the grass roots than, for instance, Royal Commissions.

We are very concerned that agricultural policy in Canada has been and still is being conceived in a few offices in Ottawa by a few planners who have had no practical contact with the problems of farmers. They do not have to live by the consequences of their recommendations.

We are somewhat impatient with the preoccupation by economists and others with the two issues of comparative advantage and allocation of resources. These people tend to completely ignore human resources and we all know it's impossible to reduce the problems of Canada to dollars and cents, and equations and economic models. We recognize the problems you are studying are complex, they are related to the rapid economic and technological changes taking place in this country. The problems are not only economic but sociological.

We do not suggest that we have many answers. Our friend, the Minister of Agriculture has already told you that in my case at least.

Our organization is, however, deeply concerned with finding solutions to the small farm and rural community crises in the Maritimes. We have thousands of co-operative members in these areas. Referring specifically to Kent County; 50 years ago there were a great many more people living off the land than there are now. (1921 rural population figures are not available. 1931-18,433 versus 1971-2,149). The average individual farm operation, however, even for 50 years ago was very small.

e.g. Kent County, 1921

No. of Farms Reporting	Total Number	Avg. Per Farm
Milk cows and heifers—3,101	9,929	3.3
Pigs—2,042	6,081	4.0
Sheep—1,893	22,418	11.8
Horses—2,709	4,643	1.7

Even in 1921, at the peak of agricultural activity in Kent County, the average farm was not a viable economic unit. The owner-operator in many cases, spent the winter in the woods, either on his own lot or working for someone else. The returns from his winter's work were a very necessary part of the income required to support himself and his family. This income from the woods was supplemented with mixed farming

operations centered around cream production, with a few hogs and sheep, and in most instances, some poultry.

As the nearby woods holdings became cut over and as forestry operations became more mechanized, requiring less labour, the structure of much of the rural economy in Kent County broke down. The small farm holdings could not support a family without the supplementary forest income, and social welfare programs were not adequate until recent years to support such widespread rural under-employment, so the farms were depleted and then abandoned. We are not sure why there was not a greater move to farm consolidation, larger units, mechanized operations, where the soil etc. was fit for viable operations.

We suggest the lack of agricultural policy and guidance and particularly adequate agricultural financing were major factors. Farm credit was available in limited quantities for capital purposes only. Medium and short term credit was unavailable. This is in contrast to the effective farmer-controlled banks established by the federal government in the U.S.A. This would have and still would go a long way in providing the necessary finances. We recommend that this matter be studied as a solution.

So what is the present situation?

The farms are abandoned or at least a great many are and interest has disappeared among young people who have moved out of the area to seek urban employment.

A major social and psychological re-orientation must take place to re-establish the kind of rural atmosphere that will develop the area. The soil must be re-built, even in the best areas. This is costly and can't be done overnight.

The orientation is essential to our country as history has repeatedly shown that nations abandoned a stable agrarian society to their peril.

It is reported that there are thousands of acres of Class III land in Kent County. We are somewhat wary of the statistical classification of land resources, and using this as the only criteria of potential is a very dangerous practice. In addition, much of this land is depleted in fertility, and it will require large inputs of fertilizer over a period of ten years or more to bring it up to its full potential. This would be uneconomic for the individual farmer, and in view of the fact that it would be a continuing asset to the land resources of the county, it may be advisable that assistance be given. We must find the kind of agricultural production that is best suited to the area. This applies to the whole of the Maritimes as well.

We suggest that preoccupation with promoting commercial grain production especially with grain varieties not suited to our climate is not in the best interest of our farmers. There is not available a barley variety suited to the Maritime climate. Oats grow well in good years, but are too low in energy for poultry and hog feed. We feel that our scientists need to do more about this problem. Reasonably satisfactory results are being achieved in growing Opal Wheat which was smuggled into Nova Scotia from Europe and after a fight has become licensed. Commercial grain production is a tricky business at best in this country with our wet cold springs and sometimes wet harvest seasons. The fall of 1972 and spring of 1973 are examples. Our farmers need help in developing feed of various types, such as corn silage which can be produced in our climate and on our fields.

Many acres of Kent County inland from the valleys are best suited to grow forest products. The tree growth is rapid and

natural. We need better reforestation programs. We need to think of the forests as a resource rather than an enemy to be destroyed, which is a carryover of our pioneer days. Policies should be developed, however, so that these forest holdings remain in the hands of individual owner-operators rather than large corporations. This is an immediate and crucial problem which must be faced.

At a recent meeting with C.D.A. officials there was no indication they had many suggestions or answers to our feed production problems. There is a feeling in some places that agriculture should be written off in our area and all production moved to the areas with the so-called comparative advantage. We don't feel this is good enough in terms of people.

The agricultural industry in Kent County, in our opinion, should be encouraged only or at least first in the communities along the rivers, and the Northumberland Strait shore area such as east of Buctouche where land with an excellent potential is located. We believe there is a good potential for expansion in these parts of the County. We already have, in these river valley and shore communities, at least a few examples of viable, commercial farm operations specializing in dairy production, beef, hogs, poultry, vegetables and tobacco.

Most of the agricultural land and the climate in Kent County, while not suited to grain production, can grow good crops of grass, corn silage and field peas, but the soil must be re-built and the people must regain confidence. It could accommodate enterprises involved in the production of beef feeders, dairy replacements, and sheep. The hog industry could be expanded. As the growth of the City of Moncton encroaches on farm lands in its immediate surrounding area, it is possible that several of the large dairy operations near the City will find it necessary to re-locate, and it is reasonable to expect that they might move to Kent County. On those farms where the soil is naturally light and well-drained, and considering the proximity to the City of Moncton, the potential exists for expansion in the production of vegetables, small fruits and tobacco.

We feel that one of the factors which may have inhibited the agricultural industry in Kent County has been a tradition of small scale farm enterprises. We believe that for a farm operation to be viable, it must provide a gross income of at least \$20,000 per year. Farm leaders and professional advisers need to recognize that the ultimate goal must not be simply to place as many people on farms in Kent County as possible, but rather to make sure that those engaged in farming are making a good living.

We would also recommend that agricultural extension services be provided on a more specialized basis, to effectively assist farm operators with their specialized technical problems.

The growth of a prosperous and continuing agricultural industry in Kent County depends, in addition to the personal attitudes, efficiencies of scale, and technical competence noted above, on farmers receiving sufficiently high average returns for their products, on protection from the devastating effects of prolonged low price periods in the market cycle of some products, and on production input costs at levels which will allow them to be competitive with other parts of Canada.

A certain degree of market price protection is already provided to the hog, milk, and poultry producers through various government-sponsored marketing plans, but could be strengthened in the case of hogs by the establishment of a price stabilization program on a provincial, regional, or national

scale. Such a program has already been recommended to the government of New Brunswick.

For small fruits and vegetables, we would recommend the establishment of a producer-controlled facility to assemble, process, and market these products.

In the area of production input costs the most significant of these is the cost of ingredients for livestock and poultry feeds. Since Kent County, like most of the Maritimes, is not well suited to high-energy grains production, any increase in the livestock and poultry industry must depend on many feed ingredients imported into the region. In the case of feed grains, our only available source has been the Western Canada supply with Canadian Wheat Board pricing policies without the alternatives that are available to other regions of Canada.

One of the important reasons for the Maritimes being deficient in livestock products is our inability to purchase through the Canadian Wheat Board grains anywhere near the price non-Board grains have sold in Western Canada. Our area has been flooded with products produced from this non-Board grain when Western Canada had a surplus.

We are also at a disadvantage in the procurement of vegetable protein concentrates and feed phosphate, in that they must be imported from Central Canada or the mid-western U.S.A.

We note the Minister of Agriculture in his remarks to your committee mentioned that presently feed prices in this area are no greater than in Ontario.

We don't know what price policy feed manufacturers in Ontario are following but traditionally our prices have been higher because our proteins, phosphates and other ingredients not under grain freight equalization cost us \$20 to \$30 per ton more and our prices have to reflect this. This is one factor that has seriously curtailed livestock production.

We even pay \$20 per ton more than farmers in Maine for soyabean meal because of the long, circuitous route of our railroad built as a defense measure early in the century. Our farmers should not continue to pay this penalty; it should be borne by the country as a whole.

We suggest the reason our prices are kept down at this time is because we had large quantities of ingredients purchased at lower than today's market. It is ironical that a few years ago, we were being chastised by broiler growers for a \$15 per ton differential between Ontario and New Brunswick for high protein feeds.

To remedy the feed ingredients situation, we recommend a feed grains policy which (a) will make Feed Freight equalization a statutory program for the Atlantic regions, (b) will have the Feed Freight equalization program cover feed grains from any origin, the transport cost of which would be equalized to the various areas of the Atlantic Provinces so that transportation costs are equalized with the Montreal-Quebec City port costs for Western Canadian grain, (c) remove import restrictions on all feed grains, and (d) extend the Feed Freight equalization program to include vegetable proteins and feed phosphate.

The agricultural industry is also concerned with the effect of high transportation costs on other production inputs besides feed, and on the whole economy of the Atlantic Region. To this end, we support a national transportation policy which would (a) assure that industries in our region will be able to obtain their raw or semi-processed materials and market their products at transportation costs that are no higher than for compet-

ing industries in other parts of Canada and (b) that the terms of reference for the Canadian Transport Commission be changed, or a separate regulatory body established with authority over the setting of rates, demurrage and service, which could serve as a court of appeal for shippers and receivers wishing to protest unfair treatment. The present Transportation Act does not do so.

We thank you for this opportunity of appearing before you.

The Chairman: The brief is an excellent one. As a Saskatchewan farmer, this could very well be the kind of brief that we might present to some organization, with a few changes in working and so on, but it has quite a familiar ring.

I would ask you first of all to comment on a statement made to the Committee yesterday by Dr. Weaver, Director of Agriculture Canada Research Station at Fredericton, and when you hear what he said to the Committee yesterday, you will see that it disagrees with the statement that you have made to the Committee in one particular aspect, and I am quoting from his statement on crop potentials:

There are good prospects in the region for high energy feed grains, such as barley and wheat. In fact, my crop specialist, Mr. E. A. Grant, informs me that Kent County traditionally has produced the best quality barley in this province.

I will bet on you, I will tell you that, but I would like to know.

Senator Michaud: Mr. Little should answer that.

Mr. Dernier: I am sure, Mr. Chairman, that I have men with me who can answer that from practical experience better than I can, but I would possibly make this comment, that there is not, as I reiterated, the statement I made there, a variety of barley that can be economically produced in this part of the country. Barley, as you all know—and I think feeders in Western Canada are critical of this as well—has been developed for malting purposes, and feed barley is just poor malting barley. When we get to the Maritimes it is even worse because we don't have varieties that are satisfactory for our humid, wet climate, and root rot is prevalent.

The other factor, of course, which covers grain growing in total is our poor weather conditions and how anyone could appear before this Committee after last fall and after this spring and suggest that grain growing was an economical vocation for farmers in this area, I don't understand. I know Dr. Weaver perhaps has only moved to the Maritimes fairly recently from that hallowed land of Kent County, Ontario, which is quite different from here, but beyond that I would again reiterate what I said there, that it is awfully easy to answer all the problems of this area by saying "Go into commercial grain production". You commercial grain growers who have a natural country for growing feed grain in Western Canada know that there are problems there. On our depleted soil, our small land holdings and our very poor weather conditions in three years out of five, it is a very precarious occupation, and we suggest that scientists should address themselves to other types of nutrients which can be produced off the land here without these problems.

I would ask Mr. Yeo, who is in the audience from P.E.I., the chairman of our agricultural committee, and who is quite familiar with grain production, to comment on this. I would suggest that he lives in the area most suited to grain production and probably would wish to comment on this, after which I would ask Mr. Walsh, who has moved from trying to grow

grain in this area to a very successful different type of operation.

Mr. Charles Yeo: Mr. Chairman and members of the Senate Committee, first of all I would like to say that I am a practicing farmer. I perhaps grow grain more than just about anything else. I will support Mr. Dernier as to this barley which appears to be the topic under discussion at the moment. I attended a meeting with the grains council in Ottawa as a member of the agricultural committee, and when we brought up the subject of the need of a better barley it was pointed out to me why we did have a good barley variety in Herta barley, and, as a practicing farmer, I grew Herta barley for a number of years until I found that you would go bankrupt trying to make a living out of it. Their interpretation of a barley variety that is any good is done on a very scientific basis where you take a square yard, you map it out, you reap what is standing and you pick the rest up with a pair of tweezers, and then you add this up, multiply it by how many square yards in an acre—I think I could tell you that if I put my mind to it—but with that they tell you what it is possible to harvest.

Now I am a farmer and I can't harvest my grain that way, and I think that applies to just about all the farmers who are growing barley. Sure there are things you can do that will give you a better crop which all adds to cost. We need a better variety and we have to get our research people to realize that the farmers themselves know better whether you can grow a profitable crop or not. We are being told, in Prince Edward Island, that we can grow all the grains we need. We can grow more grain than we are growing now, that I am sure of, but we cannot grow enough of the high-energy feeds, and for a long time to come we will need some extra grain from Western Canada, if it is available, or if we can't get it on a competitive basis we have to get it somewhere else.

As far as what is our requirements, as time goes on we find ourselves, or hopefully find ourselves, producing more meat, requiring more livestock feed, and in spite of any increase we might make we will still need more, especially high-energy feeds. The one feed that has been encouraging has been opal wheat, which we would not have had if we had not had people illegally take it into Canada; and after they found that it produced so well, and after a few years in which it was more or less hidden from the public and the officials, there was just too much of it being grown to turn down.

Now, we would hope that we would have some other illegal people who would perhaps go to Europe or some place and find a better variety of barley and take it in on the same basis, and perhaps in a few years we would find ourselves with a barley variety that also is good.

Our research people have to recognize that the best judge of grain is the farmer who produces it and feeds it.

Mr. J. E. Walsh: Mr. Chairman and honourable senators, ladies and gentleman, I was asked to say a few words here. First of all, I would like to say that I am very happy to be here, particularly because my good friend on my right, Hervé Michaud, and I were young men together. We grew up as young men, we took part in farm organizations and cooperative work, and I suppose, if I listened to my grandchildren, they would say that we are becoming old men together.

However, there was some reference made to the Walsh farm. It is not in Kent County. It happens to be located in Albert County, but I don't think the problems of Kent County are too much different than Albert County where I try to operate a farm. We did try over the years to grow grain. We thought you

just couldn't be a farmer unless you grew grain. We operate a dairy farm, and after several attempts in recent years, and by following the recommendations of the Canada and the provincial departments of agriculture with the latest varieties and culture and fertility methods, we just realized, as Charlie Yeo has said, that it just was not economical to produce barley or grain of any kind as far as we were concerned.

I am satisfied that in this area we can grow grass and hay, and I will stand it up against any part of the North American Continent. When you talk about the same climate conditions that we have here, we can grow it. We got into the production of silage corn and our farm now is producing approximately 75 acres of silage corn a year. It is a tremendous crop as far as our farm is concerned.

We need the freight assistance on feed grains to help us bring in the grains that we get and where they can be produced economically in Western Canada. We need them, we can't live without them. As is pointed out in our brief, we need a continuation of that. It should be made statutory and we should have proteins and phosphates included in that. The other thing that I would recommend to you very seriously is that our transportation policies in this country be revamped. There is no point in my enlarging on that. It is self-explanatory in the brief we have presented to you today.

Thank you very much.

The Chairman: Are there other senators who wish to ask questions?

I have another comment to make. It is not a question. It is true that feeders on the Prairies a few years ago, as your brief states, were able to buy feed grains from their neighbouring farmers at distressed prices. We all recognize that. However, I just bring this to your attention, and you are probably well aware of it too, that there has been a complete turnaround in that picture, and a feeder on the Prairies today buying feed grains may be paying something that is pretty comparable to the Wheat Board prices if you deduct the freight rates. I have not the most up-to-date figures, but a few weeks ago I was making some inquiries and I learned from the Canadian Wheat Board that at that time they were pricing barley to consumers in Canada, feed barley, at about 25 cents a bushel less than they were selling it on the export market. So that at least to that extent the barley producers who market grain through the Canadian Wheat Board on the Prairies were making an economic contribution to farmers in other parts of Canada. I realize that it can be argued that a few years ago it was the other way around, but this situation has certainly changed from what it was seven years ago and the feeders out there are paying, I am sure, much lower prices than they are here because of freight costs and other costs, but their prices are away up.

Mr. Dernier: I have some information, a comparison based on June 8, and while, as you say, that differential did narrow very substantially for some time, it is now widening again.

Apparently there are a variety of reasons for this. The off-Board prices on the Prairies have not changed very much during this period, where we have had this very rapid increase in world grain prices, and the prices we received from the grain commissions in Alberta and Manitoba and from commercial sources in Saskatchewan would indicate that wheat now is selling there at around \$2 a bushel to the feeders, oats from 70 cents to 90 cents and barley from \$1.05 to \$1.15, and that, translated, taking into consideration freight equalization, means that our costs are \$33.80 per ton more for wheat, \$28.20

more for oats and \$38.50 more for barley, and that \$38.50 on barley is percentage-wise very significant because it is \$45 barley on the Prairies and \$83.50 here, so from a cost of production standpoint that is a significant difference.

Just on Monday of this week the Wheat Board has announced, in the case of wheat on which they set the price and presumably in the case of oats and barley as well, which are set indirectly through the Winnipeg Grain Exchange, that they are abandoning the policy of pricing wheat based on competition with U.S. corn as of Montreal which has been the Wheat Board's basis all along. They are now going to price it equal to export prices.

The Chairman: Does that apply to barley too?

Mr. Dernier: I suggest it applies to it indirectly. They have to actually set the price of wheat because, as you know, it is not traded on the Exchange. Oats and barley are theoretically set by trading on the Grain Exchange, but effectively are set by what the Wheat Board decides they will be because they are a monopoly seller.

The Chairman: I just wonder if you would clarify that point. Do I take it, from what you have said, that the Wheat Board is selling barley now to domestic feeders at the same price it gets on the export market? I don't know the answer. I know what it was a few weeks ago.

Mr. Dernier: I am suggesting that it is going to reach that if that is their policy as far as wheat is concerned, that as it goes through the throes of change on the Exchange that, presumably, they will adopt the same policy. In any case, it is substantially out of line now with U.S. corn in Montreal, that is, barley.

One of the reasons, of course, for this differential, or at least one of the problems, is that I am told that the grain and barley, perhaps in particular, is not being delivered to the Canadian Wheat Board because they don't expect to get any payment from the Pool, so that they will be getting the initial price and they are prepared to take \$1.15 or \$1.20 rather than the initial price.

The Chairman: I would not think that was true at all. I really don't. I would think a barley producer who takes his barley to a Prairie elevator today expects to get a substantial payment, because, as you know, the Wheat Board selling price is very much above the initial price.

Mr. Dernier: Yes, but . . .

The Chairman: Mind you, he is probably willing to settle for about 30 cents a bushel extra as being what the final payment might be, but he certainly is not prepared to settle for the local price.

Mr. Dernier: The comment that was made to me was that during the present crop year, or the present Pool, a very substantial amount of export was sold at the low prices which will affect the final payment of this Pool, so that he tends to sell on the off-Board prices today and hopefully will start reverting on the 1st of August to the new Pool.

The Chairman: They do that with wheat too. They do that with any grain. As far as oats is concerned, out there you can't buy it, period; there isn't any. The price of oats is kind of a fictitious thing because there just isn't any around to be bought.

Mr. Dernier: Of course, oats are becoming less and less valuable to us, anyway, because of their low energy.

The Chairman: They are still pretty popular, in my part of the country, anyway. Other questions?

Senator McGrand: I get the impression that there is a shortage of processing plants for fresh vegetables in this Westmorland-Kent area. Is there a processing plant at Sussex? Then I will ask this: What effort has the Maritime Cooperative made to provide a suitable processing facility for fresh vegetables that need to be processed? I know that brussel sprouts from Kent County go to Florenceville to be processed. What has the Maritime Cooperative done on this very important matter?

Mr. Dernier: The only plant in New Brunswick that has attempted—and they lost a great deal of money doing so—to provide this service was the Capital Cooperative in Fredericton. They still do some processing, but they had two problems. One was that they only received the product from the producers when they couldn't peddle it around the City of Fredericton...

Senator McGrand: I know the story of the Fredericton Cooperative. I know that.

Mr. Dernier: I think that is the story out of New Brunswick.

Senator McGrand: I have one more question. On page 3, in the middle of the page you say:

The farms are abandoned and interest has disappeared among younger people who have moved out of the area to seek urban employment.

Now I get the impression that there are a number of people who feel that matters pertaining to agriculture should be taught in our high schools, I presume in the high schools where you have a rural population. I believe you have a man here, Mr. Russell, who at one time was a principal of a regional high school, wasn't he?

Mr. Russell: Yes.

Senator McGrand: That was in a period when this was an issue. How successful was it in those days? You didn't teach agriculture, but you taught science, chemistry and physics directed towards the rural life, is that it?

Mr. Keith Russell: Senator, you are taking me back 20 years and that is a long time. We did, sir, teach agriculture, as such, in a number of schools in New Brunswick and the same thing along about that same time—these were in the late 1940s or early 1950s—in Nova Scotia and also in Quebec; and these are the three provinces that I was aware of.

Generally speaking, the agriculture courses didn't receive that much enthusiasm, after two or three years, from the students. A great many of our young people even at that time had some pretty serious questions in their minds as to whether they wanted to pursue a career in farming; so that, as far as the agricultural course was concerned, they weren't that interested in it, and even a lot of the farm young people were unable to do so if they had wanted to.

I think it is a fact that in some schools—and this was true in New Brunswick—if you are going to specialize in agriculture in high school you had sort of burned your bridges as far as an academic training was concerned, so that if you wanted to go on later and take a university course, or even a trades training course, you didn't have the necessary high school courses to

pursue this alternate career, and this became a problem. I suppose there were a few other problems too. As one of those who was doing it, I am not at all convinced that the training of those who were teaching agriculture was as good, or as practical perhaps, as it should have been. I think there were a number of factors, but whatever the reasons were after a few years the teaching of agriculture in high schools as such was phased out—I think I am correct when I say this—in New Brunswick and Nova Scotia, and also in the Province of Quebec.

Senator McGrand: The emphasis was on education. If that was true at the time the original rural high schools were set up, if that was true then, do you think the attitude of the public has changed and that it would be successful today to try and direct young rural people to stay on the land by emphasis on agricultural possibilities?

Mr. Russell: I would suggest, Senator, that the approach I would like to see taken would be, number one, let us make sure that agriculture is going to be a profitable enterprise for young people to be in. Let us do that first, and this will take some changes of government policy, as has already been indicated. Number two, if that is done, then I would suggest we need a change in the attitude that the public takes towards farming as a career. Let us give it a little more glamour and glory and prestige, and when we reach the stage where the average farmer is making the same kind of living that everybody else makes, it will get some of that same kind of stature or prestige.

As far as teaching it in the high schools is concerned, I think my view in this day and age would be let's not try to teach it in the high school; let us give the youngster a good, rounded education in his high school years and then, if he wants to be a farmer, send him off to the Nova Scotia Agricultural College or some other institution where he will get two or three years of technical, specialized training from well-qualified people. I think that will provide us with a better crop of young farmers who are trying to do the job.

Senator McGrand: In those days, as I remember, it was not to teach agriculture as such—some people tried to do that—but it was to teach children that a rural life was a good life to lead, and you may remember that we had some farm woodlots so that we could demonstrate forestry. I thought it was a good idea then.

Mr. Russell: Well, I certainly can't fault whatever intention there was, sir, of trying to give some orientation towards the value of rural life. This, of course, could still be continued, but I recall that the intent was that we were hopefully preparing young people for a life in farming, and this was where the major emphasis was.

Senator Inman: We just had a group of young people before us and we asked how many of them were interested in farm life, how many would be interested in going back to the farm if they could, even those who were city-bred, and we were surprised at the raise of hands. One chap I was speaking with afterwards said they didn't know anything about farming, they weren't told anything about it in school or anywhere else, and I made the suggestion to him, should a government man come out from the experimental farm, say, to Kent County or to his school in Buctouche, where these young people are from, and have a talk with them, and perhaps they could go out to visit a well-run farm, and he thought that would be a wonderful idea. He said "We would be so glad to get an opportunity to

see good farms and to be told something of what farming meant."

Mr. Russell: I would agree, Senator Inman, that it is an excellent idea for high school students, particularly living in agricultural areas, to have an opportunity to meet with perhaps local farm groups, to get out and see some real bona fide farm operations. I would hope that in so doing they would learn some of the problems that the farmer faces, the way he approaches them, the times that he wins and the times that he loses. Let us give them a really good realistic look at farming, and then the few who still feel okay, this is what they want to do, they will be going into this thing with their feet on the ground, whereas without that kind of exposure it is a glamorous dream to go out. This is fine stuff, but sooner or later, without some real practical exposure, I am afraid a lot of these kids might be disappointed. I think it is an excellent idea.

The Chairman: Other questions at the moment?

Senator Michaud: Yes, Mr. Chairman. I intended asking a question. I think at this time it might be a repetition of one of Senator McGrand's questions, but I am still going to ask it.

After making the statement at the outset for general information that the Maritime Coop Services, with its local retail outlet here in Moncton, cooperative farm services, could be termed perhaps the bedrock of agriculture in the area and the only organization left towards which agriculture can turn for assistance and support, I would like to ask if, in the study that we have made today of agriculture as it stands in Kent County, we were to search for methods of reviving agriculture, which would include—it was suggested that we should have more marketing outlets—a marketing agency to market the products, would your organization be in a position to lend assistance in that regard? I do believe that the cooperative formula is the only one that has any hope, or gives any hope, of success that we are going to have. We are going to have a brief presented to us by Martin Légère tonight specifically on cooperation, but, since your own organization operates along that philosophy, I was just wondering if you would care to make a few comments regarding cooperative marketing agencies?

Mr. Dernier: Well, Senator Michaud, I think I would direct this to Walter Little, who is our marketing manager, and who is also very familiar, as you know, with Kent County. I would make this comment, however, that one of the problems which have been encountered, such as Capital Cooperative which you referred to before, and others, is the need first for some organized delivery to the plant which would entail a marketing board or marketing boards. Then there is the very practical problem of supplying things, such as carrots or cabbages, to a market which needs these 12 months of the year and the supply is only available for a matter of three or four. I am raising practical problems that have been encountered. Mr. Walsh is in a better position to speak for the two organizations than am I. We would lend any practical assistance that we could. However, these are problems that are going to have to be faced, and there is going to have to be governmental help initially, I think, to develop them so they are viable. There are a wholehost of problems. Perhaps Mr. Little could comment more.

Mr. W. F. Little: Mr. Chairman and honourable senators, I guess I am sitting in this seat for two reasons. I am manager of the livestock department of MCS and I am a former farmer of Kent County. Neither one of these factors makes me an expert on these things, but I have had a lot of experience. I

have been connected with agriculture for a great number of years and left the farm in 1960. I was forced off the farm in Kent County, really. I was not like those young high school people at my age at that time. I was getting along in years, and I suppose at one time I had that enthusiasm and would have put up with what was happening, but my experience on the farm was that I found, as we went along, that I was working about twice as long as my friend in the City and I was getting about half the money, and I am just one that won't put up with that. So that is really why I gave up, although I still think there is an opportunity in Kent County for certain types of farming.

Now, in marketing, our organization, Maritime Coop Services, was started back in 1927 as a marketing organization. This is what started the whole thing, and we marketed as a cooperative at that time, that is, on a voluntary basis. We soon found that we just couldn't operate that way. Farmers are their own worst enemies at times. We were there, but we couldn't survive because we didn't get the support. So in 1951 we applied to the government, we appealed to the government for support for our Board, and since that time we have been the agency for the Board in Nova Scotia and the agency for the Board in New Brunswick for hog marketing. That is the one thing, for which I think we can take credit, and I think we have done a reasonably good job of marketing hogs. We have helped the hog producers. We have one in Kent County, who is very successful now, that we assisted in any way possible to get into the operation in a size that was a viable operation, and he is operating 100 sows, about 2000 hogs a year, which is a good two-man operation. He is doing very well. We have a market for him, we assemble the hogs, we make sure that he gets what he should be getting out of his hogs. But this is as far as we have gone in livestock.

In the beef, at one time on a voluntary basis we did quite a lot of marketing of beef. We don't any more. That is pretty well taken over by private drovers, and I can only add that when people want to give us support or ask us to do these things for them, I think it is as simple as that.

Senator Michaud: But it was mentioned to us that there might be a potential in Kent County in fresh vegetable production. In order to go into that, production would have to be marketed.

Mr. Little: Knowing Kent County like I do, I would think you have got a real chance here in vegetables—around Buctouche, as you know, up the rivers. We have two good rivers in Kent County, and this has been said before. We have land there which should not be let go out of production. We agree. There is lots of land, and I think there are people capable of operating this land. But it is straight economics, and I think this is the picture. I think this land will be gobbled up the day there is a dollar and you can make a good living in farming. That is not to say that there are not certain people who are willing to work 14 hours a day and make not quite as much as other people. There is an opportunity there yet.

I would like to make another comment on Kent County, and I will get a chuckle out of this because there are people here in the audience who are going to laugh at me.

Senator Michaud: I will support you.

Mr. Little: You will support me because you will recall that at one time, up the Buctouche River and up the Richibucto River, you could look at the hills and see sheep all over the place and it was a nice sight and was beautiful. Today we have

two or three people in the sheep business and Kent County can certainly support sheep. It is tradition. I was the same. I kept 50 ewes. I kept 50 ewes because my barn held 50 ewes and my father kept 50 ewes. I wonder, when I look back, why I didn't have 200 ewes, but we got into this small thinking in Kent County a bit, I think you will agree with us, and we know today that it takes 400 or 500 ewes to be a viable operation. But there is no reason why it should not be done. We can grow grass in Kent County, we can grow all kinds of fodder for sheep, because you don't need inputs of grains. A hog takes about 75 per cent of your cost in grains, but with a sheep it is about 2 per cent. You see, you are working on fodder that we can grow. Our land is suited to that up the rivers in Kent County very well.

Senator McGrand: What is the market like for wool today?

Mr. Little: I thought somebody would ask that question, but the market today is really good. It has doubled in price for wool. The last five years have been terrible.

Senator McGrand: That is the impression I have.

Mr. Little: We market wool, incidentally, and last year we got 35 cents for top-grade wool. This year I just talked to the buyer the other day and he offered us 80 cents for wool.

Senator Inman: How much?

Mr. Little: Eighty cents. A sheep will produce an average of about six pounds of wool, and this is a nice little income from your sheep, but at 35 cents, no. We had that situation for the last five years, not getting anything for our product.

The Chairman: I think we are close to adjournment time. I don't have anyone else on my list. Is there anyone else who wishes to ask a question? If not, we will thank you very much for an excellent brief. We have enjoyed it. We think it will be helpful to us. Good luck.

The committee adjourned.

[Text]

Upon resuming at 8:00 p.m.

The Chairman: Honourable senators, we have had a very tight schedule up until this time and we have a large number of items on tonight. One or two of them seem a little indefinite, so that I think we will start with Mr. Paul Leblanc and Mr. Oxley from J. D. Irving, who wish to appear before us, and we will just see how things go along. We will call on him whenever it seems convenient to the members of the Committee.

I would ask Mr. Leblanc to come up to the table and give his presentation. He is representing the New Products Enterprise, and I believe his brief has been distributed. So, Mr. Leblanc?

Mr. J. Paul Leblanc, General Manager, the New Food Products Company Limited: First of all, I would like to thank the senators, the Committee, for allowing me here tonight to be able to present this little brief. I would like to address myself to the honourable senators.

I represent the New Food Products Company Limited, which was organized some while back, and I would like to maybe read this brief over, if that is okay?

The Chairman: Fine.

Mr. Leblanc: First, it starts off with the company's history.

For 35 years, wild rabbits were being bought from some 500 farmer-trappers of Kent County, as well as parts of Westmorland and Northumberland.

These rabbits were packaged as is, with skin on and non-eviscerated, and shipped to several points in the Maritimes, Newfoundland, Quebec and Ontario.

A market was later developed for a prepared product; then it was necessary to skin, eviscerate and package this product, so that it looked pleasing to the consumer's eye.

This process employed several Kent County residents on a seasonal basis, besides requiring freezing and handling facilities.

Several people were in the business of buying and selling rabbits, but there was very little. They were thus involved in a highly competitive situation.

In order to make a larger profit some stock-piled rabbits without proper refrigeration for larger shipments to get better shipping rates, and when the product reached its destination in bad condition it was immediately condemned. Claims then were made to the shipping companies for losses due to spoilage in transit.

Federal authorities were called in, and after several inspections, all inter-provincial shipments of un-inspected meats were stopped. This prevented the more than 500 trappers and buyers from making a livelihood from this seasonal but profitable business. Financial statements of past transactions indicate that some effort should be made to continue this business.

Upon making application for federal meat inspection, it was found to be very expensive to set up facilities which would meet with the federal specifications. The wild rabbits would no longer be of value as a pre-mortem inspection was not possible because the rabbits were killed when caught by strangulation in snares, and a post-mortem inspection is not sufficient for proper consumer protection.

Organizing and Planning:

This led to the alternative of raising domestic rabbits for processing and the New Food Products Company, Limited, was organized for the purpose with rabbit raisers being the company shareholders.

An application for an Incentive Grant was made to the Department of Regional Economic Expansion, to enable the financing of the processing facility so that it would meet with the minimum requirements of the Federal Government specifications. The Federal Health of Animals Branch, Department of Agriculture, have the most rigid rules of any government department we know but yet were most cooperative with us.

At the time of its Federal Government approval, this processing facility design was the largest and most modern of its type in Canada, and we would feel proud to have it built here in Kent County where jobs are needed so badly.

Summary and Conclusion:

With the building of this rabbit-meat-processing facility, we can replace the 500 or more jobs which existed when wild rabbits were being trapped, bought and sold.

33 direct jobs will be created in the plant; more than 200 farmers can be put to work, in either full or part-time jobs, raising rabbits to supply this facility; more than 200 average Kent County farms will be required to grow the ingredients needed to manufacture rabbit feed; many other indirect jobs will be created as well as in the supply and equipment aspect of such a project. Construction alone, new buildings as well as the renovation of existing farm facilities, would create many jobs. By-products also can create many jobs by creating gifts and novelty items as seen in handicraft shops.

It is obvious that the economy of Kent County would be greatly benefited this very Summer with the building of this processing facility.

It should be noted that a farmer starting a rabbitry today could be selling fryer rabbits twelve weeks later and the processing facility could be operational; local feed could be made available in the Fall, as there is still time for planting.

The Federal Government has already indicated their decision. With the approval of the Provincial Government, this project could be started tomorrow morning.

Many hours of work, reams of literature and many meetings have been put into this project. Marketing has been done to such an extent that the demand would exceed the production capacity of the processing system.

The hardest thing for a Kent County farmer or business man to do is to penetrate government agencies, to get the required aid needed to either get money, permits, or an approval, so that an agricultural enterprise may be launched.

This project has not been a fly-by-night type operation. The best available knowledge in Canada, U.S.A. and Europe has been put into this project. The finest commercial rabbitry designs in the world to date are available to farmers and net profits to the producers are as high as in any other domestic animal operation in this area.

Contracts have been signed and applications have been made by farmers to supply rabbits to the processing plant.

Looking at this project from an agricultural point of view as well as on a business basis, this project would not only replace the jobs that existed in rabbit-trapping years, but would raise the existing farms to profitable enterprises, and would increase farm value, keep families together, and would substantially improve the standards of social as well as economic values in Kent County.

Other provinces are expanding in this field, but the many opportunities in rabbit husbandry are here in Kent County, with rabbit meat being one of the most important ways of overcoming the world's animal protein shortages.

I wish to thank this Committee for the opportunity of making this presentation on behalf of the New Food Products Company, Limited.

I would gladly answer any questions you may have pertaining to this subject.

The Chairman: Thank you, Mr. Leblanc. Do members have any questions at this time?

[Translation]

Senator Lafond: Mr. Leblanc, allow me to ask you this first question in French. There is a distinction in French which is perhaps a little bit vague in English.

On the first page of your brief, you speak about: "Wild rabbits", and, on the page 42, you mention "Job existing in rabbit trapping years". Could you tell us when and where you are actually referring to hares and to fat, white-fleshed domestic rabbits?

[Text]

Mr. Leblanc: Wild rabbits are not, of course, the same as the domestic rabbit. The jobs that existed at that particular time—I am talking back now 35 years—existed mostly from trapping, buying and selling and, in the latter years, consisted of jobs in the packaging industry, and that type of thing.

Is that clear?

Senator Lafond: But what you refer to as wild rabbit is the dark-meat rabbit as opposed to the fat, white and just as lovely rabbit.

Mr. Leblanc: That is right. They are different coloured meat. The wild rabbit has dark meat and the domestic rabbit is a white-meat rabbit.

Senator Lafond: And also a different taste. I must admit I have a preference for wild rabbit. The wild rabbit, of course, is a Canadian standard and a delicacy reserved for connoisseurs. It seems to me that it is very seldom that I have seen it in the marketplace openly for sale. I know it is a staple on other continents and in other countries. What are your views as to the marketability or the market that exists in Canada at this present time for domesticated rabbit meat?

Mr. Leblanc: To that I would like to answer that the chain stores have shown great interest in this product, but only if it is federal government inspected. They will not touch it any other way. It is their company policies that they will not do anything, and this is why, mainly, that it has not reached the supermarket stage. There has not been a great deal of promotion on this thing either.

Senator Lafond: I fully agree that it should, as with other meat, be thoroughly inspected. Do you have any evidence of sufficient consumer interest in rabbit meat?

Mr. Leblanc: Yes. I do not have a lot of information on that, but Charles Clay, who is up in Ontario, has done quite a bit of research on it. He has more information than I. But there are quite a few places that do carry rabbit meat. In the Maritimes here it is mostly on a small scale because we do not have any plant at all with federal inspection. The rabbit meat that is for sale is mostly in the small local markets that are handy, let us say, to the rural areas where some of these rabbits are raised. There is nothing that is done on a large scale because, without the proper facilities to pack these rabbits, it is not very likely that anybody would ever start to market them. This, also, is one reason why the operations have been kept relatively small to this stage.

Senator Lafond: Did you say Charles Clay?

Mr. Leblanc: Charles Clay, Clay Publishing.

Senator Benidickson: He used to be in Ottawa.

Senator Lafond: We know the gentleman very well.

Thank you, Mr. Chairman.

The Chairman: Are there any other questions?

Senator Benidickson: With respect to your company, Mr. Leblanc, you, on page 2, refer to certain requirements that led to the raising of domestic rabbits by your company. When did that develop?

Mr. Leblanc: This developed a couple of years ago. I think it went back to 1969 when certain difficulties arose when inter-provincial shipments were stopped altogether, and then it got to a point where you just could not ship rabbits. You could not have them inspected nor could you have them shipped inter-provincially. So then there was a bit of research carried out and we discovered that we could still go into the rabbit business and open up the scenery on domestic rabbit raising, and it looked very good. So we went into some research on it. I raised rabbits myself to do some research on these things for a couple of years, along with some of the other knowledge that I picked up from books. I designed the rabbit meat processing plant myself on my kitchen table at home and we went from there. I am not a big-time engineer or anything like that. I am just an ordinary Kent County citizen.

Senator Benidickson: You say the difficulty that you face, despite a reference on page 4 to federal government interest, is to penetrate government agencies. To be specific, what are the government agencies that are frustrating you?

Mr. Leblanc: I am not referring just to myself on that particular thing. I was involved with some other people at one time who did have to go to see different agencies. What I am referring to there, for the most part, is that if you go—not you, but let us say, myself, as an individual...

Senator Benidickson: You are talking about doing something this summer?

Mr. Leblanc: Yes, right now. It is rather hard to penetrate any of these government agencies. Sometimes you have to either put pressure on or ask the proper way. I am not familiar with the government way of doing things, I suppose, and we find it very difficult to find our way through these things. We heard this afternoon here of a person who went in for his welfare. Well, he would have an awful time getting it unless he was pretty down and out, and so forth. It is hard because, at first glance, the chap who is in there, let us say, if he is doing the job of a public servant, he is doubting the guy, and so forth, and trying to get as much information as possible. I suppose there is probably a lack of, let us say, liaison, or coordination between two people when you go into these things, and probably this is what is happening here. Perhaps we are not just coordinating things properly. But this is really what I was referring to.

Senator Benidickson: But you referred to getting started tomorrow morning on something. What is holding you up?

Mr. Leblanc: We are just waiting for an okay from the provincial government to kind of give a green-light approach to the federal government on a grant. If they did that we could start right away.

Senator Benidickson: And the grant would be from regional development?

Mr. Leblanc: The Department of Regional Development and Economic Expansion.

The Chairman: What is the hold-up from the province? The federal government puts up most of the money. What is the province waiting on?

Mr. Leblanc: I don't know. This is where our difficulty comes in. There is either a lack of coordination there or something. I do not really know. I do not know.

Senator Inman: You say you represent the New Food Products Company. What other foods do you process?

Mr. Leblanc: We formed the company particularly for this particular thing, but we have the intention, if we ever get this thing off the ground—and we hope to—that we would be able to, let us say, take some of the carrots and onions you heard about this afternoon and maybe make some stews, and so on, and go into other types of food.

Senator Inman: So you would produce something like rabbit pies and that sort of thing?

Mr. Leblanc: Yes, this is what we had in mind.

Senator Inman: You could cook them whole, of course. I have done it many times this way.

Mr. Leblanc: yes, we have heard from rabbit fanciers' clubs, and so forth, and some of the fee companies and have had recipes for preparing rabbit. I think we have somewhere near 400 different-type recipes, different ways to cook rabbit, and there are some very nice ways to do it, and very nice brochures on it, and so forth. There have been a couple of companies—I don't know if I am allowed to mention them—which have done some brochures on this, and it looks very nice and very attractive.

Senator Inman: But to date you have no operation of any kind?

Mr. Leblanc: No, definitely not.

Senator Norrie: Mr. Leblanc, what do you do with the pelt?

Mr. Leblanc: We have no immediate market for pelts. We have been looking at it and have spoken to several people who seem interested—some in the fur garment business who are considering this. We see some rabbit fur garments on the market now. We hope maybe to get into there with the mature rabbit pelts only because the small ones, the fryer type that would be most used, would not be tough enough. The skins would not be thick enough to make fur garments, but then they would, perhaps, go for novelty items, stuffed animals and that sort of thing.

The Chairman: Other questions?

Senator Inman: Mr. Chairman, there would be a by-product from the skins, would there not?

Mr. Leblanc: Yes, this could be used in the fur garment trade, as I said. I have a pair of gloves that I bought for my father, and mother gave them back to me when he passed away as sort of a souvenir, and they were made of rabbit skin.

The Chairman: Is Mr. Roger Vautour in the hall, please? If he is not, Mr. Leblanc says that he has Mr. Vautour's brief with him and he can present that as well. So I think we will just ask you to go forward.

Senator Benidickson: Before you do that, would you give us a rough indication of what the amount of the DREE develop-

ment grant might be that would be in accord with your present plans?

Mr. Leblanc: Yes. We had an offer—the company itself had an offer at one time and it was withdrawn, and that was an offer of \$125,000 on a \$243,000 project.

Senator Benidickson: Involving how many new jobs?

Mr. Leblanc: I think they were giving us credit for 30 jobs on that.

Senator Benidickson: Thank you.

Senator Norrie: Could you give us some idea of the size of rabbits. What they would weigh and what you could feed them?

Mr. Leblanc: There is a product you can buy for them, a rather high-protein feed.

Senator Norrie: Do you import those?

Mr. Leblanc: No. We can grow them locally nicely. I think you heard this afternoon about field peas, which are readily available, or not available but we could grow them in Kent County, and hay, and these could be mulched up and made into a pellet. There is nothing too special about them at all—something of the type of Gaines and some of the other high-protein type animal products.

The Chairman: Would you proceed to the next brief, then Mr. Leblanc?

Mr. Leblanc: Yes, thank you very much. The reason why I have this other brief was because we both had to get our photocopies done at the same place and I was asked to bring these along and this is why I have them.

Honourable Senators, I would like to present this brief on behalf of Roger Vautour, who is supposed to be here, as we have just said, and who is the president of the Rabbit Ranchers Enterprises. I will continue maybe from that introduction.

On February 11, 1973, a meeting was held in Rexton, Kent County, New Brunswick, to form a recognized group of Rabbit Ranchers to affiliate with the New Food Products Company, Limited, in applying for an Incentive Grant from the Department of Regional Economic Expansion to build a rabbit meat processing facility in Kent County, and to aid each other. At a meeting on February 23, 1973, the group consisted of over 500 signed members.

The reason for organizing was that we attended several meetings of another small group and sincerely felt that a stable organization was needed, that its goals should be clearly stated and that every effort should be made to achieve them.

We found while meeting with members of the New Food Products Company, Limited, that through our own efforts, we could make positive advances in building ourselves an agricultural enterprise which would be our livelihood, enabling us to keep our families with us rather than see them move to Ontario or the U.S.A. in their search for work; many of us know the big city life and we do not want to see our children brought up in such a social environment. We also have farm land which can be cultivated and our own feed can be grown locally. Some barns can be renovated for rabbitries.

The farms we live on which belonged to our fathers can become more productive than ever before because we are able to make a reasonable livelihood on them by raising rabbits.

It is the feeling of our members that the government could be of more assistance to agriculture than they have been in the past. Money should be made available with less red tape to the farmer.

We are in a position to discuss sensibly and honestly, the problems we as farmers face, and solve them in the minimum of time, rather than be discouraged by long waiting periods or unexplained causes for delays.

Regional development agency groups exist in our areas, but we have yet to see any progress in agricultural development, although we see a lot of hard feelings on these subjects in our newspapers and television.

We do not need the ideas of radicals to control our society or economy. We feel that with the help of an agency such as New Brunswick NewStart, helping as they did in many endeavours, that agriculture can be our prime source of livelihood in Kent County.

Local aid in rabbit husbandry is available, courses and instructors can be had for those who need them, and we do not understand why a project of this type is not given a green light approach or better still, a top priority position in getting the project under way.

It has been said that Kent County is already the most researched area in Canada. We have the knowledge available necessary to proceed immediately; we do not need further inquiries or feasibility studies. Several have been made. We need only the Provincial Government's approval of the program in accordance with the wishes of the Department of Regional Economic Expansion and we can get on with our project.

We do not have a budget which would provide all necessary funds including personal expense accounts, secretaries who could work full time on office work and correspondence. All we need is a processing plant built so we can be assured of stable markets for our rabbits.

Along with the famous war words of Churchill we can say that if we are given the tools, we will do the job.

The Chairman: Any questions?

Senator Lafond: I think it would be unfair to ask Mr. Leblanc questions on Mr. Vautour's presentation, even though they are not hostile to each other by any means.

Mr. Leblanc: I don't know if it was clear that the Rabbit Ranchers Enterprises was organized to affiliate with the New Food Products Company Limited.

The Chairman: Are you a member of this organization, the Rabbit Ranchers Enterprises?

Mr. Leblanc: No, I affiliate with them, though. This would be our thought.

The Chairman: I think, Senator Lafond, Mr. Leblanc is able to answer questions on their behalf. If he is not, he will turn you down.

Mr. Leblanc: I will try not to be biased.

Senator Lafond: Let us say it is on his own behalf.

Senator Fournier (Restigouche-Gloucester): At page 1 you mention another small group. Who are they? Are they farmers?

Mr. Leblanc: I would much rather not elaborate on that. Maybe sometime when you are in private, if you ask Senator Michaud, he might be able to explain better.

The Chairman: Are there other questions? If there are no further questions, on behalf of the Committee, I thank Mr. Leblanc for his very informative presentation. I congratulate you for the initiative you have taken in trying to put this project together and we wish you every success.

Mr. Leblanc: Thank you very much.

The Chairman: Ladies and gentlemen, Honourable Senators, the next item on our agenda is a presentation by Martin Légère of the Caisses Populaires, but I understand Mr. Légère is prepared to forego his time for at least a few minutes and so we have with us Mr. Oxley who, I believe, is the woodland director for J. D. Irving. He phoned me a couple of days ago to try to get on our agenda. I told him how crowded it was and he has been sitting around very patiently for some time. I think he will agree that we have been fairly busy. We, old Senators have a hard time on this 16-hour a day business. However, we are pleased that we are able to fit you in and you can just take over.

Mr. Oxley, Director, Woodland Branch, J. D. Irving: First of all I would like to thank you, Mr. Chairman and Honourable Senators, for the opportunity. I appreciate you have fitted me in here on short notice. I have a very short brief.

The Chairman: We will have copies of it?

Mr. Oxley: I do not have a copy. I will read it and get away from it and enlarge on some of the points as I go.

The Chairman: All right.

Mr. Oxley: J. D. Irving Company appreciates this opportunity to present a brief with respect to farms and farm woodlots in Kent County. The Company has been long interested in all developments in Kent County as this has been the home of the founder of the Irving Enterprises. Recently we were amazed and distressed to be attacked for buying a band of farmland and reforesting these properties. I would like to give a little history on this.

These farmlands were first purchased and reforested back in 1956 on properties that Mr. Irving had acquired in earlier years. These tree farms appeared to be successful and the program was expanded to any abandoned farmlands which were for sale over the years. The reasons for this program were based on a keen interest in the forest and an obvious need for improved forests throughout New Brunswick, but especially in Kent County. The availability of abandoned farms suitable for tree farming made the program possible and today some 2152 acres are under plantation in Kent County.

This program was prompted, to some extent, by the spruce budworm epidemic which went through in the 1950s and left the woodlots of Kent County in extremely poor condition with most of the balsam fir dead and the spruce heavily damaged. Now this had been a cash crop available to the farmers on the woodlots and it was mentioned here this afternoon that this was one of the areas where the farmers in the off-season went to get some cash.

After the spruce budworm epidemic of the 1950s many of these farmers were left with very little cash crop. Efforts by the Irving Company to have Kent County sprayed were not successful and thousands of cords died. This meant loss of income to the rural population of Kent County.

At about this time the Irving Company started a forest nursery at Juniper, New Brunswick, which now produces upward of ten million trees per annum. To date 2,600,000 trees have been planted in Kent County from a total of 42 million planted in New Brunswick by the company. The Irving interests have been criticized for buying farmlands which are starting to grow up in alder bushes and putting these lands into useful production of trees.

Now, I ask you, is it not better to put these lands into tree farms than let them fall into useless alder groves?

Why have these farmlands gone out of production and been sold? We suggest that governments have not looked after the small farmers of Kent. These people have left their farms and woodlots and their former livelihood and the population has gone down in Kent County until a couple of years ago, I understand. Where are the government programs to help these people improve their farms and woodlots? The products of the farm woodlots have been relatively far from markets. Rail transport has been necessary and here the governments have not done enough. The railroads have done nothing to increase shipments of forest products from Kent County to the mills. The rail line from Moncton to Buctouche has been abandoned and lifted with government sanction. Rail rates for forest product movements are very high and thus cut off much of the market for woodlot owners. Here the governments could help.

The British Columbia government controls the British Columbia Railway and sets rates on pulpwood and other forest products. All pulpwood within a 250 mile zone moves for \$3 a cord. In New Brunswick the rate for a similar movement is approximately three to four times higher. Now, here is an area where the government can help the rural population of Kent County, the farmers, by using the railroads for the development of the province. The Premier recently announced in the last sitting of the Legislature, the provincial Premier, that he was going to take action in this regard. If the farmers in Kent County could cut a cord of wood and put it on rails and ship it into mills for a \$3 rail rate, it would increase their market area, they could sell wood into any pulp mill in New Brunswick if we had a similar freight situation to what they have in B.C. with the B.C. Railroad. This is one thing that would help the farmers and would help all the pulp and paper mills in New Brunswick and it would expand the whole market.

As stated earlier, the woodlots are in bad shape. The governments should make silviculture help readily available to the woodlot owners. Present provincial programs and farm forestry should be expanded. There is a real need for a central seed extraction plant for spruce, jackpine, seed collection, home selection and seed extraction and one or two large provincial tree nurseries. We suggest that the government should help farmers to remove undesirable species and scrub growth from their woodlots and make large quantities of trees available for planting. Land which will best support forest should be growing a vigorous, healthy, budworm-proof forest and in budworm-proof, I say it would be black spruce or jackpine.

Since 1952 in the province of New Brunswick there have been some \$30 million expended on forest spraying for spruce budworm. This has been similar to fighting fire or it is a crop protection, is what it is, it is an annual crop protection which does nothing but protect the forest for one more year. It is time now we should be doing something along with this. We should be replacing the old budworm-susceptible forest with a new, fast-growing, vigorous forest in spruce and jackpine.

We say land which will best support forest should be growing a vigorous, healthy, budworm-proof forest. This kind of

assistance will help the farms by improving the farm woodlots and the farm income and with improved rail freight rates it would help rural communities to survive and grow. We believe this would be a proper allocation of federal resources for assistance to improve the economy of the region. The Irving companies have always taken an interest in the welfare of the people of Kent County and have tried to create employment and an improved economy in the region. Utilizing non-productive land for forest plantations has been an expensive effort to show the way we should go in forest management in New Brunswick. We feel it is now time for the government to step in and help with the small owners to do the same thing.

Thank you very much.

The Chairman: Thank you, Mr. Oxley. I just have one or two short questions then I will turn it over to the experts. Did I catch your figures right—2152 acres planted to trees?

Mr. Oxley: That is right.

The Chairman: Would you be able to tell the Committee how many acres of farmland your company has bought up or the Irving interests have bought up and are prepared to plant in trees, let us say?

Mr. Oxley: 21,000 acres of freehold land in Kent County are owned by the Irving companies but this is not old farms. Quite a lot of it was woodland to start with. There has been 2152 put under plantation and this is about the total because we have an ongoing program to buy any land that is available that people wish to sell, and it is purchased at relatively low prices up to \$20 per acre. Well, this can only be land that people have abandoned for farming purposes.

The Chairman: We, as a committee, I would believe, are interested in not only helping to arrest the abandonment of agricultural land said by the experts to be Class 3 land, fairly good land, but also I would think, and we would hope, that in future agriculture would be able to expand in Canada. There is a tremendous market for food today. You may not be able to answer this question, but would you know whether or not the Irving interests might be amenable to reselling some of this land for agricultural purposes if there was such a demand for it?

Mr. Oxley: I would think that we would be more than interested in trading some land if somebody had some land that was more suitable for forest growth.

The Chairman: You do not know whether they would be prepared to sell any or not, if there were prospective purchasers to buy it to put it back into agriculture? I can appreciate that you do not have that information.

Mr. Oxley: No, I think we would be more interested in trading it.

The Chairman: You want to maintain your acreage and you might swap if it was within your economic interest. I see. Other questions?

Senator McGrand: How successful are the spraying operations in the control of the budworm and does this budworm develop an immunity towards the spray and you get a tougher—like anything develops an immunity. The tougher ones survive and reproduce in kind?

Mr. Oxley: I am not an expert on this but I have been associated with the program on and off for 15 years and some

of the federal scientists say that after eight to ten generations there is some which immunity builds up. But that is eight to ten years in the same place, and on budworm spraying it is simply crop protection for the year. If you can kill 85 to 90 per cent of the budworm you will save your trees for one more year, but you certainly can never wipe out budworm because the 10 per cent or 15 per cent that is left is such a high number.

Senator McGrand: Will you repeat what you said about a species of spruce or jackpine that the budworm would not attack? I was under the impression that it did attack our spruce.

Mr. Oxley: It does but not to the extent it does with the balsam fir. Balsam fir is very susceptible and white spruce and red spruce are quite susceptible, and black spruce, which doesn't start to grow. The bud caps don't burst as early. In fact they will not burst for about another week. It does not start to grow until the real danger has passed, and it does not, apparently, taste as good to the budworm.

Senator McGrand: That is a much slower-growing spruce than the red or white spruce, is it?

Mr. Oxley: In certain sites. I have some pictures here I brought with me of some of the Irving plantations and I mentioned some 42 million trees, I believe it was, that have been grown, and it is 80 per cent black spruce now and with very, very good growth. Some of these plantations certainly average two feet in height growth per year and there are some trees that will grow three feet. I have some figures here that I will leave with you.

Senator McGrand: This is black spruce?

Mr. Oxley: Yes.

Senator McGrand: Which grows the faster, black spruce or jackpine? Pine will grow faster, will it not?

Mr. Oxley: Yes, I think probably a bit.

Senator McElman: Mr. Oxley, is it not a fact that even though the black spruce doesn't grow, for example, as rapidly as a fir does, the fibre is longer and much better and more valuable fibre?

Mr. Oxley: And it is denser.

Senator McElman: And although there might be a slower growth the value offsets the slower growth factor to a large degree. Is that the case?

Mr. Oxley: Well, senator, I think on a per-acre basis over a 40-year period you will probably get more cords per acre on a good site with black spruce.

Senator McElman: And more valuable fibre?

Mr. Oxley: And more valuable fibre. This is what we are finding in the north part of the province. The black spruce, if it is grown in good sites—you see, most of the black spruce gets crowded out into the swampy, wet sites where nothing will grow well, but to establish plantations on good sites, it will do very, very well.

Senator McElman: And, of course, even on the swampy sites the black spruce will do better than the jackpine or fir?

Mr. Oxley: Yes.

Senator McGrand: Well, the density of the fibre, a cord of black spruce will weigh a lot more than a cord of white spruce.

Mr. Oxley: Yes.

The Chairman: Other questions, other comments?

Senator McElman: Mr. Chairman, I think anyone would grant that the best use for the available arable land of Kent County or any other part of the Maritimes is in agricultural production, but if it is not in agricultural production, then it is sure as hell a better use for that land to be used in the production of good forest products than in alders that are of no value to anybody. I am delighted to hear Mr. Oxley suggest that if there are those who have good forest land available that the corporation that he represents would be ready to do a quick *quid pro quo* trade of arable land which is going to be brought back to agricultural production into other land that could be equally well used for forestation.

I accept that that is the policy of the company. Is that correct?

Mr. Oxley: We feel that we would like to see the small owners keep their land, but utilize it and make every acre produce all it will. If it is woodlot, they could produce all the wood of the highest possible quality, and this will help the small owner, and it will help the general economy.

Senator McElman: Is land in Kent County today with our mill locations, geographic locations such as they are, the nearest across the south of the province being those mills in Saint John Harbour area?

Mr. Oxley: Right.

Senator McElman: There are two mills there, the Rothesay MacMillan Bloedel mill and the Irving mill, the others being on the Miramichie where there are now three mills—MTR and formerly South Nelson and the fibre mill on the Miramichie as well. Are these lots of Kent County, and a part of Westmorland as well, are these economically tributaries of those mills today, taking into account the freight rates you have been talking about?

Mr. Oxley: Taking into account the freight rates that actually exist, they are not, but we do have to reach out and get wood. We are using wood at the rate of about 2000 cords a day in Saint John at the Irving mill and to get that quantity of wood we have to reach out over 100 miles. Now, Kent County is a good logical place to get some of the wood. Granted, it is further away and more expensive because of that. The important thing is that we have to compete in the world and in B.C. they can move a cord of wood for \$3. In my brief, here, I have a graph here that shows that, but they can move anywhere within a 250-mile circle for \$3 for a cord of wood while here . . .

Senator Benidickson: Are they doing so without taxpayer's subsidy?

Mr. Oxley: I don't know, sir.

Senator McGrand: It is a government railway.

Mr. Oxley: But it boils down to this: Is the product going to be used strictly for the benefit of the railways or for the benefit of the public?

Senator McElman: What are you paying per cord in Kent County, generally, for put-down wood at the roadside?

Mr. Oxley: \$18.21 in the yard over here in Moncton.

Senator McElman: \$21 in the yard at Moncton?

Mr. Oxley: Yes.

Senator McElman: \$18 wood, of course, is income.

Mr. Oxley: Right.

Senator McElman: It provides today's labour, but I think you and I would agree it is not paying much for the stumpage, is it?

Mr. Oxley: Five to six dollars.

Senator McElman: You figure it is that high?

Mr. Oxley: Yes.

Senator McElman: Well, I have no argument with you. This is a good thing for the economy in that it is cash in a rail economy where cash is very short. The plantation work being done now, which I commend, because the Irving Corporation is the only one in New Brunswick that is doing a sensible job of seedling development and reforestation, the others have sloughed it off, government and everybody else who talks about reforestation, by saying it is a natural reforestation area which is nonsense, because you are coming back with the poorer fibre and a natural reforestation. The Irving Corporation has gone to genetics in wood and is doing a first-class job, and I commend them fully. But looking to the economics today and for the future, is it practical that you are going into all this plantation work in Kent County which is not economically tributary to your mills as they now exist in the basic sense, because you have got other wood that is more tributary to your mills economically available to you, either by purchase or off Crown leasehold or off your own freehold limits? Is it the intention in the long-term—and this is what we are thinking about; not short-term cures, but long-term cures for rural Kent—is it the intention that there will eventually be a base here which will support a mill operation of some kind, either integrated with your existing mill or viable of its own?

Mr. Oxley: Well, certainly not with something as small as 2000 acres of plantation in Kent County.

Senator McElman: But you have more under plantation. Did you say 21,000 acres?

Mr. Oxley: That is 21,000 acres of freehold land. That is natural forest in Kent County. But if we can develop enough wood up here in the Kent County area and in good quality plantations at some time down the road in the future, there would be some kind of a wood-using industry.

Senator McElman: This would be part of the planning, would it?

Mr. Oxley: In the very long term, yes.

Senator McElman: That is what I am talking about, long-term.

Mr. Oxley: This is not a cheap undertaking. I have a short cost breakdown here. With land costing \$15 an acre, planting stock at \$35 an acre, planting \$20 an acre, there is an investment of \$70 an acre which you have to wait at least 35 years to recover and if you compound that at 6 per cent annually, that comes out to about \$540 an acre.

Senator McElman: Plus 25 cents a year per acre for taxation?

Mr. Oxley: Taxes, right, which, looking ahead, would make stumpage about \$10 or \$12. Well, 35 years from now with inflation maybe that won't be unreasonable. One thing, it will be a very high-quality product and the harvesting cost will be less because it is going to be straight roads and easy to harvest. The important thing is that the rest of the world is doing this. If we do not do it, we are going to fall further and further behind. The last couple of years the pulp and paper industry has been in real trouble in New Brunswick. If we had a real good forest resource we probably would not have been in as much trouble, but our forests, our natural forests, are getting poorer and poorer.

Senator McElman: What would be your estimate of the annual income off that plantation area in the 35 years from now that you will start cropping? How much—17, 20, 25 cords a year?

Mr. Oxley: We think we will get at least a cord per acre per year, perhaps better.

Senator McElman: 35?

Mr. Oxley: 35 cords in 30 years.

Senator McElman: And costs in dollars—we are talking in terms of the province in general—you are looking at approximately \$22 roadside. That is \$770 return total gross on an acre 35 years from now.

Mr. Oxley: Well,—

Senator McElman: In the meantime you have all your fire protection and your spraying, and so on.

Mr. Oxley: But if we do nothing we will have a poorer and poorer forest, and the rural people in Kent County and in New Brunswick will not have good woodlots to get some income from.

Senator McElman: You will have a good alder crop 35 years from now.

Mr. Oxley: Plus protection cost, budworm spraying and fire protection going on indefinitely.

Senator McElman: Now well, Mr. Chairman, I am satisfied. I think we have a good proposition going in reforestation and a policy statement, but if there are those who will use arable land for agricultural purposes, there is a *quid pro quo* trade available for forest land.

Mr. Oxley: Well, this was first suggested by Senator Argue just now. I am saying that it would probably be possible, though, to trade land in this way.

The Chairman: I was trying to get it bought back. He wants to hand onto all the acres and swap them, which is understandable.

Mr. Oxley: But I would say that 2000 acres in the millions of odd acres in Kent County is not very much, really.

Senator McElman: That is right.

Senator McGrand: You said about 35 years before you would harvest the crop?

Mr. Oxley: Right.

Senator McGrand: That would be on jackpine?

Mr. Oxley: And the red spruce.

Senator McGrand: If you planted it now, how long would it be?

Mr. Oxley: You are saying the same thing, 35 years.

Mr. Albert Chambers: If I may interject, the letters in the newspaper and the answer as listed, that is the concentration in the letters, refers to the land-use policy. My question is why is—whether or not the Irving interests of the province would be interested in the establishment of a land-use policy by the province that seeks to establish priorities in agricultural land and priorities in reforestation land that will be beneficial to the whole community and how much weight from the Irving interests would be interested in pushing the development of that kind of policy? The Committee here is looking for preservation and land expansion of agricultural income and the retention of the rural community in a social sense, but they are also interested in maintaining an income from the forestation sector. Now, one way of achieving this is possibly through some sort of a land-use policy that divides up the land into its best use priorities. Would the Irving interests be interested in that?

Mr. Oxley: One hundred per cent. If there is good land that should be farmed, it should be farmed, because this helps the community, this helps the farmers. If there is good land on which they can make income, raise a high-energy feed crop, that is what they should be doing.

Mr. Chambers: Now, the land you are presently inhabiting and are in process of buying, I presume, as it becomes available, it is bought with an eye to forestation and not with an eye to the best agricultural and—

Mr. Oxley: You always buy the best you can get for your money, and if there is land there that is just going to alder bushes, it has been abandoned farmland, somebody has it for sale, fine, we will buy it and plant trees on it because it will grow a very good forest plantation, but to answer your question a little further, we would support 100 per cent a policy that will get the small woodlot owners' properties more productive, get them planted in good, fast-growing trees of high quality that will give the small woodlot owner more income and we will support that 100 per cent. Anything that will produce more wood and better wood from the acres and keep the land in the hands of the people who own it now, if you own 100 acres, you keep it and you get it grown in good, high-quality wood.

Mr. Chambers: If I may probe you on your 100 per cent support realizing, of course, that the Irving interests are, after all, a private corporation and their interests are naturally private and given that, it appears that the woodlots privately held by the small owners in Kent County are suffering from the effects of the budworm and other influences, has the Irving interest any—how shall we say—made any community effort to provide—I realize you are providing demonstrations. We have seen that in the last couple of days travelling around. Have you any programs wherein you provide other than just visual demonstrations as a technological aid to the private owner? I realize it comes back in the end that in the mill you get a profit from that kind of product, so it is in a sense a long-term profit.

Mr. Oxley: Let me answer your question in three ways: one, the Irving interests have been very interested in Kent County because that was home. Number two is that back in the 1950s when the spruce budworm epidemic was moving southeast into Kent County, Mr. Irving tried to get Kent County sprayed. Now, at that time there was a balsam woolly aphid which was attacking balsam fir and the other people involved said "No, the balsam fir is going to go anyway because of the balsam woolly aphid and we will let it go and the spruce will probably survive". Now, as a result the balsam woolly aphid did not kill the fir, the budworm did and it damaged spruce very severely and it shut off a fair amount of dollars to small woodlot owners. The third part of your question is: Do we have facilities to give technical or financial aid to, say, small wood owners? We are not large enough yet to look after the areas we want to plant ourselves. I mentioned 10 million trees. That is the capacity of the present nursery. In New Brunswick we should have nursery capacity between the Irving companies and some of the other companies and the government of, probably, five to ten times that much. Ideally we should have a forest like they have in the southeastern part of the United States where they cut it and they plant it and they farm the forest.

Mr. Chambers: The acreage that is now in woodlots and that is presently in agricultural production, can that be achieved with some sort of . . .

Mr. Oxley: Are you talking Kent County or New Brunswick?

Mr. Chambers: Well, New Brunswick with a comparable amount in Kent County.

Mr. Oxley: We are really just scratching the surface.

Mr. Chambers: What I am trying to find out is do we need to absorb the land that is currently or is potentially arable land, that is cleared now to achieve the kind of goal that you are suggesting for the forest industry?

Mr. Oxley: No, it is all the forest land. We could clear land the way it is now. If all the forest land was put into maximum production there would be more than enough to support a much larger wood-using industry.

The Chairman: On that point, if I might make a comment, I think, if I sense the feeling of the Committee, we are not critical in any way of what might be considered forest land being in forest, and we are certainly not critical—we are the very opposite—of the kind of work you are doing to increase the production of woodlots and wooded land, but I think we are still concerned that there may be, because of your offer to buy certain lands, that the Irving interests are buying up and putting into forest production, that perhaps the scientists would say are quite suitable for agricultural purposes, and on a preference basis perhaps should be kept in agricultural production and should not be in forest production, and the way it appears to me is that it appears to me the Irving interests have a kind of a land bank going for forest production. In other words, they have a kind of an open offer: "We will buy and of this land if the price isn't too high and we will put it in forest production." I feel that some other body does not have a land bank available for agricultural purposes and I do not expect your company to be doing this. But I would think that this may be an area where under the federal government or, perhaps even more so, the provincial government, since land is under provincial jurisdiction in our Constitution, there might be room or there should be room for a land bank program, and it would seem to me that if governments were prepared to

offer farmers not \$20 an acre, but perhaps \$30 an acre for land that is suitable for agricultural purposes, they would be able to retain as a potential for agricultural purposes the land or some of the land that is going to forest production now, when scientists would think that it should not be going for that purpose. So that the quarrel, to use the wrong word, is not with the Irving interests. Our interest is to see that government and other bodies take the necessary action to make certain that potentially good farmland is kept available for agriculture production.

Senator Williams: On the matter of freight rates and the moving of one cord of wood, are all the railroads involved in this rate in British Columbia, or is it just the British Columbia Railway?

Mr. Oxley: My understanding is that it is the British Columbia Railway, which used to be the PGE.

Senator McElman: Mr. Oxley, is it not a fact that in many parts of New Brunswick, with the geographical location of railways such as we have them, we don't have a competitive situation, largely for the primary producer and particularly with respect to forest products? Isn't it a fact that we have one line and instead of the competitive situation applying, we have got a gouging situation by both the CNR and CPR and you can't get a competitive rate to get a raw product to the mill?

Mr. Oxley: No, it has to be agreed on. If there are two lines that happen to serve the same place, it would be the same rate, and it is high.

Senator McElman: It is not competitive, this is the point I am getting at.

Mr. Oxley: No.

Senator McElman: It is a gouging.

Mr. Oxley: Yes, it is an agreed charge.

Senator McElman: All right. Excuse me, Mr. Chairman, I want to move around a couple of areas here and it will take a little time to do it.

Aside from the provincial program, which is the seedling subsidy program, which is being made available to the woodlot owner, that is in its infancy and doesn't nearly provide what the industry calls for, even for the private woodlot owners. Is it not a fact that the only seedling and reforestation in the province is that of your corporation?

Mr. Oxley: The big problem with the provincial government, as I understand it, is that they can't get enough seed. Apart from that, tree seed is a very difficult thing to get in some years. You only get a seed crop every seven or eight years and if you don't have the facilities to collect it, separate it and store it, then you can be out of luck six years out of seven. So there really needs to be a coordinating body, some dollars made available and a seed collection agency set up. Then there should be some two or three or four very large nurseries of plant products set up and with the trees available. The small woodlot owners and the farmers would get trees and improve their properties. If they can do this, if they have good freight rates, such as they have in B.C., this would make all the woodlots in New Brunswick available to all the mills with benefits that would accrue to the woodlot owners.

Senator McElman: Is it not a fact that in the genetics of production from seed, your corporation has gone as far afield

as British Columbia to get useful seed to produce a better tree in New Brunswick?

Mr. Oxley: Some of the best black spruce seed we got from Kapuskasing, Ontario and it has grown very, very well. When you do this, and when you get a superior tree established, or a plantation, you are in a position to do other things as the technology improves and fertilization and this kind of thing; you can grow a super tree.

Senator McElman: You have even gone to cypress spruce seed?

Mr. Oxley: Yes, we have experimented with several, some with good results and some without.

Senator McElman: Is Kent County the only area of New Brunswick where you are currently buying up old farms and doing your plantation work?

Mr. Oxley: No, it has gone on longer and on a little larger scale in Kent County. We will buy abandoned farmlands almost all over Southern New Brunswick.

Senator McElman: Southern New Brunswick?

Mr. Oxley: Right.

Senator McGrand: A good deal of your land is along the Canaan River, is it not?

Mr. Oxley: There is some there, yes.

Senator Inman: Isn't there a lot of woodland up in Northern New Brunswick around Campbellton?

Mr. Oxley: That is where the largest plantations are. That is where the bulk of the 4 million trees are planted.

Senator McGrand: We saw those before, when we were down have as members of on the Senate Committee on Poverty.

Senator Inman: I went right through the woods near Campbellton. Is that natural stand, or has some of that been planted?

Mr. Oxley: The original is natural stand, but any place where you see trees in rows, that is a plantation.

The Chairman: If there are no other questions at this time...

Senator McElman: Just before you leave it, there is one thing. I am sorry I arrived late, I didn't hear all the brief and the comment, but there is one thing the Committee can understand with respect to Kent County. Kent County at one time was one of the real producers in forest products. At that time the market was pit props, which included the then weed of the forest, the tamarack, which was ideal for shipping to the mining industry of the U.K. and Europe. There was the additional market of France for raw wood in lengths; and all of that disappeared. The forest stands of Kent County then for a period of time were not economically tributary to any mill, they were beyond the bounds. Is that not correct, Mr. Oxley, for a period of time?

Mr. Oxley: Yes, the demand was not certainly as high after World War II, except for a period during the Korean War, when it was very high. Then the demand for pulpwood from Kent County probably fell off, although many thousands of cords were exported over the years. I don't know just which

years they were. Certainly, it is safe to say that all the wood in New Brunswick is tributary to some mill right now, because there is definitely a wood shortage situation. The market is very good.

Senator McElman: Simply because of the shortage.

Mr. Oxley: Right, but with the expanded mills, for instance, in southern New Brunswick, two large wood-using mills in Saint John, and on the Miramichi three, certainly all of this wood in southeastern New Brunswick is tributary to those mills forever with better roads and if we can get a better rail freight rate, it will improve it that much more.

Senator McElman: I am coming back to my original question. Would you feel that in Westmorland, Kent and a part of Northumberland there is a sufficient base here that eventually with proper development of the privately owned small woodlots, plus the larger corporate holdings, plus the somewhat minor Crown holdings which will come into a better production scale, would you feel that eventually there will be a sufficient base here for a mill of the type that we have in various other parts of the province? This is the slack area on mills—right, and because of the tributary distance to existing mills, it is high-cost wood, unless it can be bought at a depressed price. Is there a base here for eventually a mill in this part of the province?

Mr. Oxley: Let me answer you this way: In the natural forest in New Brunswick it is generally accepted that anything from 25 to 30 cubic feet per acre per year growth, and as I stated a little earlier, in our plantations we see a cord per year per acre growth, so if you put all the forest into plantation you could quadruple the wood use. It is as simple as that.

Senator McElman: So there will be a base for a mill?

Mr. Oxley: Yes.

The Chairman: Honorable Senators, I would like to thank Mr. Oxley for a very informative presentation. We are very pleased you were able to make it.

Mr. Oxley: Thank you very much.

The Chairman: Our next item has to do with financing, the part that credit unions are playing, no doubt, in financing farmers' needs. If the honourable senators will allow me, I would like, as Chairman of this Committee, to make a reference to a Canadian Press dispatch in the *Moncton Transcript* of this evening, and the headline is "Banker's Warning. Loans More Difficult Without Interest Rise."

Canada's chartered banks will make it more difficult for farmers, fishermen and other small businessmen to obtain government-backed loans if the interest rate on these loans is not increased, the president of the Canadian Bankers' Association said today.

Russell E. Harrison said the 6.25-per-cent lending rate on guaranteed loans is unrealistic in terms of other current interest charges.

The federal government established this fixed rate last October, Mr. Harrison said, but bank costs and rates on business loans have since risen.

"The rate should be revised as soon as possible for continuation at the present level leaves the banks no choice but to be increasingly selective in making these loans," he told the annual meeting of the Association Board of Trade Club in Halifax.

Mr. Harrison, executive vice-president and chief general manager of the Canadian Imperial Bank of Commerce, said banks may soon enter the financial leasing field.

Such a move, he said, would benefit firms in smaller centres.

It would enable manufacturer and processor outside the big cities "to be able to modernize his facilities, to improve production, to compete in new markets, and to conserve his working capital, all of which in turn should provide for increased local employment."

If the government guarantees the banks against loss on certain types of loans, even if those loans were not profitable for the banks, they followed the will of Parliament, they followed the will of elected representatives of the country, and last October Parliament proceeded with this legislation, and it is most disturbing to me that this attitude should be taken by the banking system of this country.

It does not just mean, if a farmer doesn't get a loan at 6¼ per cent interest, that he is going to get a loan at 7 per cent or just a wee bit more. My projection would be, my estimate would be, that if the farmer is turned down, or the fisherman or the small businessman, in asking for a loan at 6¼ per cent under this federal legislation, he will pay 9 per cent or more. That then means an increase in interest rates to the farmers and to the others of more than 50 per cent, because of the action and the attitude that is being taken by the spokesman for the chartered banks of this country.

He says Parliament will have to do something to increase the interest rates that banks can charge. I would think that Parliament should do something to make certain that farmers and others for productive purposes may continue to get loans at 6¼ per cent interest for the work that they wish to undertake. We are taking our time to come down here to make a study of agriculture in New Brunswick. Everybody is agreed that there should be more money available for cattle production, there should be money available for modernization of machinery: Yet what we are trying to do is to a substantial degree being thwarted, while we are in session, by this attitude.

As a matter of fact, at this session, the Senate passed a bill to improve this legislation and to make it more applicable. We will have to go back to Parliament and ask the government to ask the Minister of Finance to do everything necessary to make certain that the will of Parliament is maintained and that these loans are continued to be made available by the banking institutions for the people for whom they were designed.

After that kind of a speech, perhaps it is an appropriate time to call upon a man who is interested in providing money at cost through a well-known cooperative to its membership—and I am sure that in this case many of the members are farmers. So, on behalf of the Committee I would ask Mr. Martin Légère, directeur, Fédération des Caisses Populaires Acadiennes, to come forward and present his brief to us at this time.

[Text]

The Chairman: You don't have a prepared text? You don't need one, I am sure.

[Translation]

Mr. Martin Légère: Mr. Chairman, ladies and gentlemen, I must first apologize for not having a written text. The reason is simple. Only a week ago, my good friend Senator Michaud called me while I was at a meeting in Saskatoon and asked me to prepare something giving the point of view of *Caisses Populaires* and of the co-operative movement.

First, allow me to mention that I am perfectly at ease here to-night, because I notice the presence of two good defenders of the co-operative movement, Senator Fournier and Senator Michaud.

I am happy to let you know these two senators, who, when they were in public life, in their different communities, were, for many years, promoters of the co-operative movement while St. Francis-Xavier University dealt with adult education.

Consequently, I believe that I will not have to try too hard to convince at least two senators of the efficiency of the *Caisses Populaires* and of co-operatives, when it comes to the solution of economic problems.

As to the other members of the Committee, I have already had the pleasure of meeting a few of them when, in 1971, we were fighting a battle to save the co-operative movement, when it had been decided in Ottawa that the co-operatives were becoming embarrassing to the large capitalists who are running the country.

It is a happy memory that then, for once, democracy won a fantastic victory through our efforts, and they really were efforts, because we had to meet each of the Members of the House of every party, we had to obtain very important amendments to the bill in question, so that, to-day, the *Caisses Populaires* and the co-operatives, even if they are taxed, can continue their work in Canada.

In preparing these notes, I glanced at a few statistics, which were undoubtedly repeated here many times, about Kent County, and I realized that Kent County has always been, historically speaking, a county where agriculture has been the main industry.

As early as 1891, statistics tell us that there were 3,467 farms and that the population of the county was composed of approximately 75% of persons living off agriculture.

Therefore, you can say that agriculture has existed in Kent County for a very long time.

But, if we consider what has happened in this county for many years, we find immediately that the situation of farmers in Kent County has not always been rosy, precisely because the farms in Kent County were not large enough to support their operators.

There may be a factor that contributed to the fact that the people of Kent stayed on the farms, and that is the lack of industries, because it is a known fact that in Kent County industry practically does not exist.

But, we note that as the country evolved people started to leave their farms and went especially to the United States, Quebec and Ontario, to such an extent that statistics tell us that the drop in the field of agriculture was fantastic. For instance, in 1951, only 2,328 farms were left and, in 1961, only

[Translation]

Senator Michaud: Mr. Léger is also president of the *Conseil de la Fédération des Coopératives*.

1,103. The latest statistics nearly shake us when we find that only 400 farms are left in Kent County.

We could wonder here. The Canadian Senate decided to make an investigation. This investigation is necessary and we could ask ourselves why they waited until there were practically no farmers left in Kent County to try and help them.

Myself, I state that, if in the North-East area of New Brunswick fisheries had been abandoned to the same degree as the farmer was abandoned in New Brunswick, we would have only ghost villages in Gloucester County and along the coast.

What saved the fisheries industry is the fact that, at a certain time, the governments put in capital, loaned at very favourable conditions millions of dollars to the fishermen.

In the agricultural centres of New Brunswick, governments, which succeeded each other for 30 years, have let agriculture die, and a Senate Committee had to come and verify its death.

But, it is a serious question when governments close their eyes for 25 or 30 years to a situation and suddenly they say: Since everything is dead, we will do something to revive the situation.

Here, I am not only accusing the federal government; the provincial government did its share. How many agronomists do we have in Kent County? When they go, it is hard to replace them and, sometimes, they are not replaced.

Now, let us compare with the fisheries industry. If, in 1930, the provincial and federal government had said about fisheries,—when a federal investigation was made, they found out that the fisheries industry in New Brunswick was going and would disappear—if they had said: “It is a disappearing industry, the governments cannot put money in a disappearing industry”, the industry would have disappeared and our situation would probably be worse than that of the Kent farmers.

Now, in 1973, we can say that the situation in Kent is tragic, that agriculture is a marginal industry which does not support its man. In such a situation,—and this is probably why Senator Michaud would have the co-operative movement commit itself and me come and ask you the question—“what shall we do?”

Well, I will start by telling you that the co-operative movement is probably the only movement that has progressed in Kent County in the last quarter century.

We fought against one and all. In Kent County, we have 18 *Caisses Populaires*, including Rogersville and Baie Ste-Anne, because they are nearly in Kent County.

These 18 *caisses* have assets of \$8,000,000. We have loaned, in the last 25 years, \$26,000,000. We have, as shareholders, 24,000 members, nearly all the population of Kent County.

Now, we even have one of these *caisses*, in Cocagne, which has assets of over \$1,000,000. Thus, in spite of an economic situation that has been worsening for the last 25 years, we of the *Caisses Populaires* can say that we were able to invest around \$26,000,000 and have at least helped some of the population to survive.

We did this work alone. The only co-operation we had from the government was at the beginning, when St. Francis-Xavier University was receiving a grant from the Federal Department of Fisheries and we had the benefit of having persons engaged in adult education such as Senator Fournier, Senator Michaud and myself.

This movement, this help from the federal government started the co-operative movement in the Maritimes.

The federal government, the provincial government, rather, has always contributed in the sense that the auditing of the *Caisses Populaires* has always received a substantial subsidy from the Province of New Brunswick, but, in the last seven or eight years, the federal grant to St. Francis-Xavier University was cut, and it might be a good idea to give the reason for this. Why is this so? It is because the large fish companies began to notice that fishermen's co-operatives were becoming dangerous for the large industries, that this could harm the very lucrative business of these capitalist companies. Thus, the grants to St. Francis-Xavier University were stopped.

In the field of co-operatives, we have, in Kent County, 14 co-ops. Last year, these co-operatives did \$6,800,000 business. They have assets of \$3,254,000.

May I give you two or three examples of what we have been able to do in Kent County in the field of fisheries, because there, at least, federal and provincial investments were made for the development of this industry and we benefitted from them.

We have taken the village of Richibucte, which, 25 years ago, was one of the poorest villages in New Brunswick, where the fishermen did not own their nets or their boats.

This year, the stores made \$422,000 in business, the Fishermen's Co-operative, \$814,000, and the *Caisse Populaire*, \$350,000.

But, these figures say practically nothing. But, what is more significant is that, in the last 25 years, in the small village of Richibucte, the co-operatives gave back to the people, in refunds and interest, over \$2,000,000. Would these \$2,000,000 have gone somewhere else if the co-operative movement had not been there? They would have gone exclusively into the pockets of the large companies, and often of American companies.

Indeed, this is co-operation. This is what co-operation can do.

We have taken Pointe Sapin, Baie Ste-Anne, and there, last year, the co-operative, even if it stopped fishing salmon, did \$1,000,000 worth of business. Maybe I am far from the agricultural problems of Kent County, but all of this is only a preamble to tell you that the co-operative movement can do something for the population.

I have examined your Committee's order of reference, the points you must study, and I find that they are the following:

“Ensure, primarily, viable communities”.

How can we ensure viable communities in Kent County?

In my humble opinion, the first task is to create a leadership. Leaders must be created for the co-operative movement and this has been our worry. If the governments had been more generous with their grants, we could have continued our adult education programme, and maybe we could also have helped the farmers also, because, it must be said, these grants that St. Francis-Xavier University received from the Department of Fisheries were to be spent exclusively in fishing centres, and my two colleagues remember, we had to practically stand on our heads, sometimes, to visit agricultural parishes, because we all had a daily report to complete, and we had to stipulate that we were working in fishing centres.

Therefore, the result was a neglect of agriculture, and the results are there to prove it; where we were allowed to work, something valid was done.

Secondly, to have a thriving farm population, to ensure prosperity in a given area, we must create industry, and what is painful to see is that, in the field of agriculture, governments seem to be nearly in league to destroy agriculture.

Thus, the co-operative movement operates badly in an atmosphere where the governments do not co-operate, because, in the long run, it is relatively easy or quite easier to operate in an atmosphere where you feel supported, for instance, in the field of fisheries, where we felt that both governments really wanted to save the fishing industry. But, we cannot say the same in the agricultural field.

Thirdly, ensure a progressive and developing industry. I have just returned from a trip out West. I do not think I need tell the Honourable Senators that if, in the West, agriculture is still what it is, it is because the farmers out there made sure of organizing themselves in very strong co-operatives.

To-day, agriculture in the West is nearly synonymous with co-operatives, the wheat pools, for instance, and the Federated Co-ops have become the largest economic farm businesses in the West.

Therefore, I believe that co-operation has in itself the formula to ensure the progress of an industry in a community.

Forth, you talk about a farm production that would bring about reasonable prices, but it seems, honourable senators, that you have wanted your work to be directed exclusively towards the co-operative movement because, I ask you, what other formula will you find if you want to make a valid effort to develop agriculture in Kent County other than the organization of farming and production co-operatives?

You can spend all the millions you want in Kent, but if the farmers are compelled to give their products as soon as they harvest them, and I do say "give them" to capitalist institutions, the profits that the government will have brought to the farming population will vanish by this very fact.

Two weeks ago, I attended the annual meeting of the Lamèque Fishermen Cooperative where things are taken somewhat further, but this is just to tell you how cooperative systems can keep the money at home. The cooperative had a \$2 million turnover and two weeks ago, at their annual meeting, a quarter million dollars was distributed to the Lamèque cod Fishermen. A 30 per cent refund was made which they had paid the same prices as the companies during the whole summer.

As for crab, this delicious small fish I hope you have tasted a 45 per cent refund was paid out and one fisherman received a cheque for \$31,000,000.

In the next village, Chipagan, where there are huge capitalist industries, companies with a much higher turnover than in Lamèque, did not pay a single cent in refund.

This means therefore that in Lamèque, within a span of three years, the cooperative store and the Credit Union alone have given this small population over \$1 million in refund, \$1 million that would have gone into the pockets of foreigners and Americans.

That is what cooperation can do and I am telling you honestly that if you want to develop agriculture in a worthwhile manner in Kent County, the only formula you can adopt is that of the cooperative.

You may send sociologists, economists, anthropologists and all the people you like in Kent County and they can make all sorts of studies. Anyway, is there a county which has been

researched as much as Kent and also Gloucester? He have been researched for the last 15 years and what was found out?

That we are poor!

But the cooperative movement found out this a long time ago. There was no need for a sociologist or an economist. Our eyes and ears were sufficient along with some common sense; that is all that was needed.

Now, in Ottawa, you have an army of civil servants, as well as in Fredericton, who are sitting comfortably and making plans.

I am assuring you that when you are sitting behind a desk on a comfortable chair with half a dozen pretty secretaries, around you, you can certainly develop all sorts of plans. This can be done, but these plans are implemented by the people themselves, through education, through the creation of leaders in our communities.

Unfortunately, it has been impossible to make this understood either in Ottawa or in Fredericton.

In 1971, I was extremely surprised when we met all the members; there were Liberals, Conservatives, NPd's the Creditists and then the Independents. At that time, we met people who had no idea of what was a cooperative or a credit union and yet in Canada, a great part of our population belongs to credit unions and cooperatives; these are the same people who vote for them every three or four years and these people absolutely did not know it was possible that there could be cooperatives and credit unions in their county.

This was a discovery, such an extraordinary one, that amendments were submitted and they voted 100 per cent in their favour because elections were forth coming and they figured that if it came to be known in their county that they had voted against credit unions and cooperatives, it might be dangerous.

The problem with us cooperators, is that we do not get any recognition. We are too humble. We do not talk enough about our achievements. We imagine that those people in Ottawa and Fredericton are supposed to be aware of our problems, but unfortunately, they are not at all.

Now, in the fifth place, you talk about forming units of size and category to reach the objectives mentioned above in order to maintain a fairly big rural population.

The solution has been found a long time ago in Canada. It is cooperative farms.

Take ten or fifteen farms in Kent County, merge them into one, but a good one, appoint a manager and take six or five good farmers who will be members of this cooperative and instead of spending millions on all sorts of more or less useful things, have the federal government spend those millions in Kent County to create cooperative farms and have the province do the same thing, appoint agronomists, not only technicians who are only able to do little things, but people with a general knowledge of agriculture, and it will become possible to develop Kent County.

But if you give the job to civil servants in Ottawa and Fredericton, nothing will be done, there will only be studies and reports.

Now, honourable senators, I apologize because first of all, I did not want to speak for such a long time, but we have so few opportunities of meeting you, of meeting those who represent

us in Ottawa, that I thought I would take advantage of this one.

I will end by saying that in Canada, it would be good to start thinking about ourselves, because presently, CIDA,—the Canadian Agency for International Development—spends millions of dollars to have people from Asia or Africa come to our country; in Caraquet, there are some newcomers every week; millions of dollars are spent so that they can come and study the cooperative movement here but on the other hand in Ottawa, in 1971, they were willing to pass an Act to do away with all cooperatives and all credit unions in the country.

Where is the common sense?

Before converting Africans and Asians, for whom I have the greatest sympathy, we should begin at home with the cooperation doctrine because a government, any government, who wants to solve the problems of the people must give them the necessary instruments to solve their economic problems. The present capitalist system, which has profit as its sole aim will never solve the problems of the farmers, fishermen and labourers. The only formula—and it is world-wide, people from every country come to Canada to study it—unfortunately here we do not bother to give it the importance it deserves.

Therefore, Mr. Chairman, I sincerely thank you to have allowed me to speak here. I was not very well prepared. I hope that you will forgive me because, if I was not well prepared, it is precisely because during the week, we had a course on cooperation at home, we had forty credit union managers and during the whole week, we wanted to help them understand even better the work they had to do in their respective parishes and this included Kent County, senator Michaud.

Senator Michaud: I was going to ask you this.

Mr. Légère: Thank you very much.

[Text]

The Chairman: Merci beaucoup. Thank you very much, Mr. Leger. I think after this inspiring oration you would be an ornament in the House of Commons and would certainly make an outstanding Senator. If you have experienced some difficulty with bureaucrats proposing that cooperatives be taxed in an unfair and an unjust manner, perhaps it is because you have not visited Ottawa often enough yourself and delivered this kind of a lecture to the Parliamentarians.

I think what you have said about members of Parliament and senators not being fully aware of the cooperative movement is quite right. However, it is also fair, and I know you have said this, that when Parliament was faced with these recommendations from those who sit in plush chairs with the so many secretaries, that with your kind of leadership Parliament itself overturned in an unanimous way these proposals. I was in on some of these meetings and I was happy to lend my own support in opposition to this kind of legislation. I certainly agree, and I am sure the senators agree, that the cooperative movement has a very, very important place to play in this whole scheme of things.

I am wondering if you could in a more detailed way paint for us, some of the ways in which the Caisses Populaires can make loans. Tell us the amount, tell us the interest rates, tell us how the government can play its role, do you want some support from Ottawa, and this sort of thing. If we were drafting some legislation to provide some further support and leadership in this field, what would be put in that legislation?

Mr. Légère: As far as credit unions are concerned regarding loans, for instance in the French-speaking sections of New Brunswick we have now loaned-out over \$200 million since the inception of the credit union movement and we are operating practically exclusively in the rural areas and our record is wonderful. We have not lost anything, just a few dollars here and there, but as far as farmers are concerned, we always did have problems because farming, unfortunately—here I am talking specifically of Kent County—has been a dying industry and for a credit union it is fairly hard to help a dying industry.

In the fisheries it was quite different because it was an industry which was growing, so our experience as far as loans are concerned, was mostly with the fishing communities. I regret to say that as far as cooperatives are concerned, we have been quite unsuccessful in the farming areas, the farming areas in the French-speaking section of New Brunswick, with the exception of Madawaka County, where there is practically no farming. We had small cooperatives which were started with some government help but when more help was needed, the government failed to do its proper job.

I feel that in the future if you are looking to a program of social and economic development in Kent County, the first part of the program should be in the leadership section. You should try to create leadership. Otherwise, you will never be able to build any community organization, because lack of leaders in a community would spell disaster, as you know.

As financing the credit unions, we have never been involved in these federal farm loans, not because we were not interested, but because it is only recently that our credit unions have grown here in rural New Brunswick. We were growing very, very slowly but during the last three years we have been growing at the rate of ten million and this year we expect about twelve million increase, but we have only \$15 million which, as you know, is not a lot of money. We have been able to help with this type of money. We have been able to help with this type of money, but we have never been able to indulge too far in loans to farmers. We have helped definitely, but not as extensively as we did with the fishing industry.

Senator McElman: What are the interest rates?

Mr. Légère: The interest rates in most credit unions are based on one per cent per month, which means that if you make a loan, let us take \$100 payable at \$10 a month, you would be paying \$5.50 in interest for the duration of your loan. We are not discounting, we do not have any hidden charges: It is a straight rate based on the balance at the end of each month.

Senator McElman: What is the average length of a loan?

Mr. Légère: It greatly depends, because we have mortgage loans that could run as long as 15 years and we have personal loans which usually run one and three years—sometimes four years, but not too often.

Senator McElman: I am very poor in arithmetic.

Mr. Légère: The mortgage loans are lending at around 9 per cent.

Senator McElman: I am very poor at arithmetic. On those shorter-term loans of a year, let us say, what does your annual rate break out at?

Mr. Légère: The average would be roughly 5½, if you compare that with other institutions, because our rate is always

based on the balance that you have at the end of a month, and we have no penalty if you want to repay your loan in advance.

Senator McElman: A pure rate, in other words?

Mr. Légère: That is right.

Senator McElman: On a mortgage loan of greater length it is about 9 per cent currently?

Mr. Légère: Yes, and our loans are also life insured. This is what we have on every loan.

Senator McElman: The current rate would be about 9 per cent?

Mr. Légère: Plus life insurance, which is on all loans, either personal or mortgage.

The Chairman: No matter the size?

Mr. Légère: Presently the limit was \$10,000 and starting July the 1st it would be \$25,000.

Senator McElman: Mr. Chairman, in listening to the contemptuous tone that Mr. Légère used in referring to bureaucrats—I don't think he said "politicians", but "bureaucrats" who sit in plush chairs with ten secretaries each, I could see him sitting in his office on a wooden bench pecking out his letters on the typewriter with one finger or writing with stylus. Do you have a secretarial staff, Mr. Légère?

Mr. Légère: Yes, but they are used for worthwhile purposes.

The Chairman: That might cover quite a few things.

Senator Williams: Will you elaborate?

Senator McElman: What would be the percentage of overhead costs in the operation of the Caisses Populaires in New Brunswick?

Mr. Légère: We are operating on a very low overhead, due to the fact that in a small credit union we have part-time employees. When we start a credit union during the first year we don't take anything. Then, as the income becomes important, we start paying a little salary and when we have full-time credit unions it all depends on the assets, but our wages schedule is certainly in line with those of the community. We don't try to overpay our employees, but we try to pay them a fair salary. We don't want anyone to work for us for nothing when the organization has grown to a certain importance.

Senator McElman: But you couldn't, as of your last financial statement, off-hand give the percentage of overhead as against revenue?

Mr. Légère: I would say that if we compare credit unions with finance companies or banks, our expenses are much smaller. First, we don't have to pay any dividends to our shareholders because our shareholders are our members, so that makes quite a difference. This is one thing.

Senator McElman: Are your loans particularly oriented to the production aspect of rural New Brunswick or do you make loans for automobiles, for example?

Mr. Légère: For a long time we were not making any loans for automobiles because we did not have the financial strength to do it, but as our credit unions have developed, we have found out that automobiles were becoming a necessity of life

quite often and therefore, we are now making loans to buy automobiles.

Senator McElman: In my poor arithmetic you are working out at about \$1 million a year in loans, is that correct?

Mr. Légère: Oh, more. We have loaned out about \$200 million in the last 25 years but recently we are making loans much more heavily than we did. Now we have assets for \$58 million and, naturally, our ability to make loans is increasing constantly. We are lending all our money locally whenever possible and if not, we have a central and whatever extra money the local has is sent to the central and we, the central, invest in personal mortgages and we finance cooperatives. We have built every coop in the French-speaking section of New Brunswick, our federation. We have loaned them money, we have built warehouses, stores, plants and everything. This is where we are using our money. Our money has reverted to the people from whom it comes.

Senator McElman: What would be the relationship on a fractional basis as between your loans for productive purchases—such as to the fishing industry for equipment and so on and supplementary to what is available from the province and federal and grants and subsidies—and loans for the purely automobile, refrigerator type of thing?

Mr. Légère: I would say that for the first fifteen years of our operation all our loans were for productive purposes but in the last ten years we have been in the consumer-loan business more heavily as the years are going by. On the other hand, on the overall picture, take one example in Lamèque. This year they are in the process of putting an extension of \$700,000 to their plant, but most of this loan which has been guaranteed by the Province of New Brunswick, has been financed by our federation and other cooperative institutions. So I would say that presently we must be loaning about 50 per cent of our money for productive purposes if we take the plants and the individuals.

Senator McElman: We have had testimony that the normal lending institutions will lend almost the total requirement for the purchase of an automobile but they won't lend anything for the purchase of a farm for a young couple who are prepared to pour themselves, all of their spirit and energy, into the development of that farm, and the testimony indicates that there is a very serious vacuum. Is it the policy of La Caisse Populaire to move into this area in any degree related to how it so wonderfully moved in to assist the fishing industry of New Brunswick—or is the risk too great?

Mr. Légère: Presently, we are not heavily involved in agriculture as far as production is concerned, because most of our largest credit unions are located in fishing communities. Just to give you an example of how beneficial our movement could be, last winter the Lamèque co-op needed a vessel and there was one for sale for half a million dollars, which was a very good sale, but they did not have the money. It had to be a quick deal, so we purchased the vessel for the plant, because we thought that this vessel could bring a lot of fish and would create new jobs. In the near future, the same vessel will be financed by the New Brunswick fishermen's own board. But if we had not been there, it would have been another company—another, not a cooperative—who would have had the vessel, and it would have meant more dollars going away from the community. This is how we try to play the game. Our sole motivation, our sole ideal is to help the people. That is the only way we are in business.

Senator McElman: If 25 practising farmers of Kent County decided to form a cooperative group and they had small operations which currently are not providing a reasonable livelihood, and if they decided that in their immediate district where they have their community there are available a thousand acres of arable land and they need \$200,000 to finance the further equipping for capital requirements for that, then you would welcome them to your institution?

Mr. Légère: Certainly, with some government guarantee. That is exactly what is being done in the fisheries, and this is what I feel should be done in the farming districts, especially in Kent County. If you want to have a pilot project, I feel that the federal would not need to invest money but would have to guarantee loans so that the lending institution could come in as we do with the fishing industry.

The Chairman: A guarantee on a capital amount?

Mr. Légère: That is right.

The Chairman: It might be 25 per cent of the capital, the guarantee?

Mr. Légère: A certain percentage.

The Chairman: We have a man at the microphone, Mr. Légère, who is anxious to speak. Thank you.

[Translation]

Mr. Melançon: The senator has already asked some of the questions I had in mind, mainly about the loans you could make to small farmers.

I notice that you concentrate your capital when co-operatives are at stake, but that when it is a matter of government guarantees, you withdraw your capital in case of bankruptcy.

I am not sure, but I am under the impression that, in spite of the fact that all your credit unions are mainly located in rural communities, you are always ready to accept their money and to lend them money at rather attractive interest rates. However, I wonder what your answer is to a small farmer who comes by himself, who really needs money, who has not gained the confidence of financiers, let us say private financiers, or those who work with the federal and provincial governments, who could not borrow money from these people, are you still willing to lend to these small farmers who come alone, who have no money, who own but small farms?

I am talking here of small farms, of people who do not want to get involved in a competitive society, who want to live alone but who nevertheless want to have a profitable business; are you ready to help these people?

Is it simply a matter of giving them a small piece of the cake,—as one of the farmers was saying last night—a small piece of the cake to reduce them to poverty? Or are you really ready to lend them the money they need to start a profitable business in the farming industry?

Mr. Martin Légère: Take certain parishes in Kent county, for instance Rogersville, which is just on the fringe; in 1972, we granted loans totalling \$315,000 to people in Rogersville.

Mr. Melançon: There are many people in Rogersville.

Mr. Martin Légère: We have granted \$249,000 to Ste-Anne, \$187,000 to Notre-Dame de Kent while St-Paul received, I am trying to find out quickly ...

An hon. Member: Ste-Marie!

Mr. Martin Légère: Ste-Marie de Kent obtained \$81,000, but the credit union there is rather small since it was started a bit late, at Acadieville.

Mr. Melançon: Could you give us a figure for Memramcook, here in Kent county?

Mr. Martin Légère: For which place?

Mr. Melançon: For the Memramcook Valley?

Mr. Martin Légère: Yes, certainly.

Last year, we loaned the Memramcook Credit Union \$888,000, and this year I think it went up to \$1 million.

Mr. Melançon: Yes, \$888,000, but I know at least one person who alone, look at least \$130,000; one person alone; I know that. Therefore, it does not represent much of the population of 8,000 which live in Memramcook; there are only a few people, some contractors who get loans, large amounts, who will be able to start a business like, for instance, a tavern or a night-club, or things like that. This really represents a large part of the capital that you invest in loans, but I also wonder and I ask you this question: Are you ready to assist with loans a small farmer who comes without any collaterals, without guarantees? Are you ready to encourage him with loans that will enable him to start a viable business?

Mr. Martin Légère: We have always done it in the past. In all farming parishes when there are credit unions.

We have taken risks no bank wanted to take because they considered agriculture as nothing good, that it offered no guarantee, but we, the credit unions, have taken those risks and we take them every day.

I could tell you that in a considerable number of small and large villages, it is the credit union who has built 90 per cent of all new houses.

Mr. Melançon: You have no competition, there is only the Provincial Bank here and there, you are the only lending institution, people do not go to cities if they want money, when they have it right next door.

Mr. Martin Légère: We are in competition with all the finance companies and all the banks, because you can live in a small village and the bank in the neighbouring city, if you are a good risk, will be very happy to lend you some money.

We are not free from competition, far from it.

Mr. Melançon: But exactly, we know these people who go to finance companies, it is exactly because they have not succeeded with credit unions and they apply there as a last resort.

Mr. Martin Légère: Yes, it is somewhat true that there are people who go to finance companies because the credit union was maybe unable to meet their needs.

However, one must understand facts as they are. We have \$58 million in capital, and we would actually need about \$200, or \$300 million to meet the needs of our one hundred thousand members.

Therefore, there are necessarily needs that we cannot meet and, unfortunately, these people are forced to go elsewhere.

Mr. Melançon: These needs that you cannot meet, is it due to the lack of capital?

Mr. Martin Légère: Definitely.

Mr. Melançon: Therefore, why do you not expand into urban centres? Why do you only have small credit unions? You have a small one here in Moncton and another here and there, but why not make it really big in cities, rather than staying in "the country"?

Mr. Martin Légère: We had to start where the needs were the greatest, to try and save our small communities.

Mr. Melançon: You have been in this field for a long time, and you have always remained there, why not expand?

Mr. Martin Légère: We are expanding. The fact is that this year we have opened a credit union with permanent offices in Campbellton. A month ago, we opened a branch in Bathurst, and very soon we will open one in Dalhousie. We operate in Acadian centres. Therefore, there are not too many urban centres. In Moncton, there is the Assomption credit union which has been there for a long time.

But, it is not easy to convince city people, to introduce the idea of co-operation because people have been brought up with a bank system do prefer to go to a bank; it is quite a job.

Mr. Melançon: I am sure, Mr. Légère, that the credit unions would have been able to do more if they had been introduced earlier than they have been in towns and if there had been more publicity; this would have been profitable to small farmers, people of our rural areas, who would have had access to a much bigger capital.

Mr. Martin Légère: I do admit that we could have made a bigger effort in towns, but the work is much more difficult; penetration is much more difficult in an urban centre than it is in a rural centre where you can meet easily with the population.

Mr. Melançon: I would like to ask a last question. According to you, the best thing to do for the small farmers of Kent county or elsewhere would be to set themselves up as a co-operative?

Mr. Martin Légère: I do not see any other way. But we must organize co-operatives on a viable basis; we should not have any illusions; if we want the co-operative movement to be efficient, we must create strong enough units that will be viable. This is why I am saying that if we want to have a try in Kent county, we will have to see big and allow the creation of big enough units to be profitable.

Mr. Melançon: If you believe so strongly these co-operatives, why did you not send some animators since you yourself invest so much money in these things? Why did you not send animators into the area to explain the co-operative movement to people so they can have a reasonable income? Then you would have a return on your invested capital; don't you think that is logical?

Mr. Martin Légère: But when you say "you", are you talking about the credit unions?

Mr. Melançon: I am talking about you, the credit unions; we should not always blame the Government; you are the financiers, the people to whom the rural people have entrusted their money; so why did you not create a co-operative program with animators to really help the people, as should have been done?

Mr. Martin Légère: I agree.

First, it must be understood that we have succeeded in having 112,000 people join our credit union movement; therefore, the animation work has been accomplished.

But to do animation work in the cooperative field is more easily said than done.

Several people have tried it out recently and they have failed.

Mr. Melançon: You need money to do it.

Mr. Martin Légère: You must pay a lot for animators.

Our first responsibility was to allow our organizations to operate in securing qualified personnel by training the leaders in our existing organizations; this is why I am saying that the government can play a great role by helping us to expand the movement, as was done when the St-François-Xavier University had available funds for adult training.

[Text]

Mr. Chambers: I would like to pursue two points. The first is one that Senator Argue introduced and the second is one that you introduced. How many, or what percentage, or how interested are the Caisses Populaires in loaning under a tax that is lower than interest rates and yet guarantee loans? How active are you in offering the money you have for loans in this kind of area?

Mr. Légère: That is your first question?

Mr. Chambers: Yes.

Mr. Légère: Firstly, we are not making any loans under the Farm Improvement Act.

Mr. Chambers: Why do you not make loans under that act?

Mr. Légère: Because we do not have the funds.

Mr. Chambers: You have money for improvement loans for fisheries but not for farm improvement loans?

Mr. Légère: Well, here is our problem. If we want to make loans we have got to do it in a way that would interest investors. Our people are members who invest and now we have to follow the market. People would not come to a credit union because it is a credit union. Some would, but generally speaking they won't. Therefore, it is impossible for us to make loans at 6 per cent because we are paying as high as 6, 7 and even 8 per cent to get the money to loan back to members. We are not like the banks at all. We are not creating any money. We have to go and get our money from our investors. So unfortunately we have never been able...

Mr. Chambers: Then, if I may ask about the amounts of money that you were quoting to the last questioner, the large sums that you were suggesting had been loaned, what percentage of those would have been used for productive purposes rather than for other purposes?

Mr. Légère: As I mentioned, I think I said that in French, I would say that roughly 50 per cent of our loans are made for productive purposes to fishermen and small farmers. We are still lending to small farmers.

Mr. Chambers: But you are not willing to lend under the terms of the Farm Improvement Act, you are willing to lend at a higher rate and a guaranteed rate?

Mr. Légère: We can't do it, we can't afford to do it.

Mr. Chambers: Okay. The second line of questioning I would like to dwell on for a moment is you mentioned at one point concerning what you thought was the viability of cooperative farms. Now, I come from Saskatchewan, as Senator Argue does, and as far as I know the record of the cooperative farms has been less than ideal and closer to disastrous as far as their viability over, say, more than a five or six year period is concerned. That may not be a very true opinion but it is one I have formed and I would like to have some comment from you concerning how you see the possibility of utilizing the cooperative farm idea in Kent County so that we may utilize this in our recommendations?

Mr. Légère: It is very hard to compare the situation of western Canada with Kent County. You have in Western Canada a farmer whose farm would cover practically a village in Kent County.

Mr. Chambers: No, but you can compare the same kind of human interaction that would result in the destruction of the cooperative farm with your idea.

Mr. Légère: I am just back from Saskatoon and I have met a friend of mine who is in a coop farm program and this organization has been going on for a number of years.

Mr. Chambers: But there are relatively few of those in the areas where cooperatives are, as you suggested earlier.

Mr. Légère: Their farms are so extensive in the west that it is, I would say, much more difficult to get three or four farmers together in western Canada with these few pieces of land, than it would be to get half a dozen or a dozen farmers in Kent County.

Mr. Chambers: Are there any examples that you can draw from in the New Brunswick area of cooperative farms?

Mr. Légère: No, we have none, but I would say that in Kent County where agriculture is dying out, that it could be a way to revive agriculture provided that the federal and the provincial governments are ready to invest money as has been done in the fishing industry.

The Chairman: Would you think of a specialized project as a coop, for example, a large hog production might be something that a few farmers would go into; or do you think of just generally pooling their resources into a general coop?

Mr. Légère: I am far from being a specialist in agriculture but I would say that an agriculturalist would very easily determine that in Parish X such type of farming would be proper and in Parish Z another type would be proper and I don't see any problem.

Senator Fournier (Restigouche-Gloucester): In the organization of farm machinery, for instance, on the small farms that we have. We need some heavy duty machinery, that no farmer alone can use, while in the West every farmer has enough farms so he can purchase and use his equipment. That might be one way for cooperatives.

Mr. Légère: Definitely. It is hard to compare western Canada with Kent County. You saw Kent County yesterday.

The Chairman: There is just a point of information and I don't think it will delay us much longer. I take it you have practised making loans where there is no security, that is, somebody can come in and perhaps get a small loan and all he

does is put his name to a note and he doesn't pledge the house or anything like that.

Mr. Légère: That is right and in some instances we would ask for an endorsement but we are making all kinds of personal loans without endorsers.

The Chairman: My impression of the cooperative movement, of the credit movement, in Western Canada is that there are very few, if any, loans that are made without security. If you come in even for a small loan they want security. There may be exceptions, but I am sure the great bulk of them carry security, and it affects property or a guarantee.

Mr. Légère: As the years are rolling by, credit unions are extending loans without security.

The Chairman: Out there, too?

Mr. Légère: Everywhere out west.

The Chairman: Well, they don't give it to me without security. Are there any other questions?

[Translation]

Mr. Jean Cadieux: Mr. Chairman, first of all, I must say that I have followed with interest today's and yesterday's meetings. Well, I have not followed all the meetings; I do not have the senators' courage or endurance for these long sittings, but it seems to me that to work in agriculture, to work on the farm, you need men who want to do it. I think that is important.

Anyway, it seems to me that since the beginning of our discussions we have not spoken much about the men who go to work on farms or about those that we shall endeavour to send to the land.

Mr. Légère spoke to us of the Cooperative movement, of financial help, but how are we going to keep and above all ask young people to return to the farm?

This afternoon, we had a student group, from Bouctouche I think, and they were explaining to us how it can be difficult to promote the return to the land. For me, it is the most important thing and it cannot be done as long as we have a defeatist and pessimistic attitude towards farm problems.

Now, if there are less farms than before it is not proved nor alleged that present farms do not produce more than older ones—a farmer in the Memramcook Valley produces one ton of milk a day when in the past, all farmers together could produce, say, only half a ton. We ought to publicize the fact that a man and his family can lead a normal and interesting life on a farm; I think that is important.

The second thing that struck me since the beginning of our discussions is that a man, not a man, a young man, who has just finished school, either a trade school or his grade twelve, can ask for and obtain a loan of \$3,000 or \$4,000 to buy a car that depreciates every year, but this same young man cannot, anywhere in this country, borrow \$3,000 or \$4,000 to buy an old farm or a parcel of land that will appreciate through the years.

There is no difference between what Mr. Légère told us and what the people have said to us here. It is impossible according to the informations I have here, for this young man to borrow \$3,000 to buy a farm because it is not profitable. In my opinion, these have been from the beginning, the two aspects of our discussions.

If we can publicize that someone can live on a farm and live as well as a white collar in an office in Moncton, may be we would be able to keep our people in Kent County. Secondly, it will be necessary that credit be as easy for the young man and the farmer who is already there, as it is to buy a car. It should be easy for anyone wishing to go back to the land to find money, otherwise it will be impossible to achieve this aim no matter how many surveys are made on the subject.

Thank you Mr. Chairman. I take this opportunity to thank you for coming to Moncton because we do not see senators very often. It is very well of you to have come to Moncton. I wish we will have the opportunity of seeing you again. I hope that you have enjoyed your stay in Moncton and I am sure Mr. Léger will be pleased to hear me say that obviously the work that has been done for the cooperative movements was not not enough.

Now, some briefs have stated that the Universities should do more in the field of education in agriculture. We have not made much progress in this area., but I am not speaking on behalf of the University.

Mr. Martin Légère: Mr. Chairman, I think a very important point has just been made. The question has been asked "Who wishes to work on a farm"? But if we did not have in our fishing areas the Caraquet's School of Fishery, the problem would have been exactly the same.

In recent years, as many as 300 students have studied at the School of Fishery and have graduated either in navigation, in ship maintenance or in whatever subject connected with fishing. They are being taught at this school.

In New Brunswick, all agriculture schools have disappeared. I think there are none at the moment. In such a case, how is it possible to promote agriculture if every learning institution in this field is being closed? Therefore, I am not at all surprised if today's youth does not show any interest in agriculture. First of all, there is no incentive to make them think of it.

On the other hand, in as much as loans are concerned, if it is for the purchase of an old farm, you are absolutely right; you would have the same problem with us if it were an old boat, if the fishing industry was being phased out, no credit union would risk making a loan for the purchase of an old boat but at the moment it is easy to obtain such a loan. Why? Because

fishing is an industry which is promoted by both federal and provincial governments and is expanding.

So, honourable senators, this is the dilemma we find ourselves in as far as agriculture is concerned in our area. To conclude, I wish to thank you again for your kindness in listening to me for such a long time. I must say, on behalf of senators, that when we have had our famous fight about taxation, we received much help from the Senate, without having to go and see you one by one. I had forgotten to say that many senators had come to our help in trying to convince the other members of Parliament about the need for a cooperative movement in Canada.

[Text]

The Chairman: Thank you very much, Mr. Légère. I have a few words to say in summing up, and then we will adjourn.

It seems to me we have a number of ingredients that have come up. One is that amongst many young people there is a desire today to go back to the land. There is a desire, I believe, amongst governments to assist them. The Small Farm Development Program was designed in that direction. We are not sure that it is adequate at this point. The proposition that you put to us is that the cooperative movement, cooperative farms, for some of these young people, may be the answer. You have also said that under some of these loans you will require government support. I think with all these kinds of ingredients it will be possible for governments to bring forward a policy that will accomplish the objectives we all have in mind.

I want to thank you once again for a most inspiring presentation. We have had two days of hard work. They have been two most informative days from our point of view. I can think of no one more capable of winding up our two days' work than yourself in bringing forward to us and reminding us once again of the important principles of the cooperative movement. So, thank you again.

The committee adjourned.

Appendix "A" follows
Forward to offset

APPENDIX "A"

**BRIEF FOR SENATE
AGRICULTURAL COMMITTEE**

JUNE 1973



N.B. NEWSTART, INC.

CHAPTER I

BACKGROUND TO NEW BRUNSWICK NEWSTART

1. THE CANADA NEWSTART PROGRAM

The mandate of the Canada NewStart program was intentionally flexible so as to allow each NewStart Corporation to develop forms conducive to both the design of innovative action-programs ("to carry on the activities of a training centre"), and the execution of necessary research and evaluation to assess the validity and reproducibility of the new products. The content of the work was relatively clear: traditional training programs purchased by the Department of Manpower were antiquated, insufficient to provoke change in life-styles in the trainees, and narrow in approach; the job on hand was to design new programs, which would have more impact on the earning power of the trainee, perhaps should integrate other aspects of training such as counselling, and perhaps should involve the trainee's family in the training process. The institutional form adopted by the earlier generation of NewStart Corporations to accomplish these objectives was uncomplicated: a large staff of program designers, educators, visual aides technicians, and counsellors would design and implement training programs; and a smaller staff of educational researchers and psychologists would enter the scenario somewhat later to evaluate the program's achievements and merits.

Recognition of structural causes for the presence, or at least for the vicissitude, of poverty in rural environments was the motivating force behind the creation of the Canada NewStart Program. Largely at the initiative of the Federal Department of Manpower and Immigration, the program was shaped during the years 1965 to 1967.

Early memoranda of the department on this subject abound in postulations of structural-sociological hypotheses for explaining relative disadvantage of human resources in isolated and rural regions of the country. Examples of such hypotheses are: the deficiency of communication facilities in the rural environment, lack of integrative institutions, absence of means for acculturation and social control, inadequacy of education facilities, and the like. Accompanying this pattern of thought the engineers of the program stressed also the personal, psychological, and cultural factors which keep individuals in relative deprivation; thus we read often lists of such factors in the same documents -- lack of knowledge or appreciation of values associated with other levels of society, lack of education, absence of marketable skills, cultural and physical deprivation, absence of participation in community institutions, insufficient motivation, et-cetera. The problem at hand was conceptualized as one of creating an optimum set of institutions in the nation which would function as facilitative channels for disadvantaged individuals to adjust to a more industrialized, urban, and dynamic core of economic growth. Some will argue the emphasis given at this point to adjustment of individuals to social and economic institutions rather than the converse represents a denial of the original more complete vision of the problem. In a sense this is true, however, the institution of the NewStart Corporations as *quasi-autonomous* organizations represented an effort in the other direction, that is, of adjusting institutions to the needs of disadvantaged populations.

Be that as it may, the *modus operandi* was swiftly negotiated between Federal and Provincial authorities. It was recognized at the

outset an experiment was mandatory before the design of national policy. Each Province was to select a County or Census Division of approximately twenty-five thousand inhabitants for target area to a jointly sponsored *quasi-autonomous* corporation which was to conduct, for up to a maximum of five years, action-research programs of experimental nature towards the resolution of poverty problems. At the conclusion of the experiment, validated methods on hand, Governments could review the matter and could initiate broader policies on the basis of the findings. Six provinces accepted the offer.

By the absence of detailed mandate, ranking of priorities, specification of action-research model to be adopted, and by countless other omissions of content and procedural definitions, the policy makers involved gave each NewStart Corporation the freedom to define the problem of their respective target area as each saw fit, and in large measure to define internal organization and method of operation. The flexibility with which the mandate could be interpreted allowed in the end the return to a wider formulation of the poverty problem as determined by structural-sociological dimensions as well as by educational and psychological variables. Four corporations did in fact consider the structural dimensions, in three cases in both the analysis and in the program.

2. MANDATE AND STRUCTURE OF NEW BRUNSWICK NEWSTART

• In March 1970, after nearly a year of preparatory analysis and planning by the Executive Director and the core staff, and after three consecutive drafts of projects and research proposals had been

submitted to the funding agency, an agreement was reached between the corporation and the Social and Human Analysis Branch (Department of Regional Economic Expansion). We were to proceed with an integrated research and action program, which was to extend through four years, and which was to represent an evolution over the approaches adopted theretofore by the Canada NewStart Program. In essence the criticism of previous plans, both those submitted by New Brunswick NewStart and those adopted by certain other corporations, was the lack of a unifying purpose of the varied activities undertaken and proposed. In addition, the style of the NewStart operations had, at that time, to change in order to better reflect the preoccupations of the new Department in which the program became housed.

The agreement made that spring established the main foci of attention of the corporation. The objective became one of manipulation of structural variables in selected environments in Kent County and the measurement of their consequences in social and economic terms for the disadvantaged populations affected. The choice of a theoretical model (impact model) that would specify *a-priori* the nature of expected relations between structural variables and individual change was to lead eventually to the verification of the model itself. In this sense the objective of the corporation became more academic than had been the case for its sister organizations.

From among the possible variety of alternate organizational forms, early in its history the Corporation adopted a structure which in essence divides the staff into four departments: two administrative, and two operational. The two operational branches have a set of

functional specializations -- one contains specialized research staff in various social science disciplines, and the other a variety of specialists in the educational and counselling fields. It is clearly understood from the perspective of organizational theory, and from the requirements of the action-research concept, that such an organization can only be productive if very intensive feedback loops link the activities and policies of the research and the implementation divisions. We also know from theory of organizations that such feedback mechanisms are not natural to hierarchical organizations. It was, therefore, of prime necessity that mechanisms be created and permanently invigorated which would allow staff to engage in interdepartmental information exchange, which would permit the development of mutual trust, and which would foster an atmosphere of objective criticism. New Brunswick NewStart has responded to this felt need by the institution of multi-departmental and multi-disciplinary task forces, the function of which is to define, control, and modify the implemented activities, and to assure their relevance to the research objectives of the Corporation.¹

CHAPTER II
ESSENTIAL CHARACTERISTICS OF KENT COUNTY

1. GEOGRAPHY

Kent County's location within Canada can be seen in Figure 1. Within Kent there are twenty-two communities, ranging in population size from approximately 300 inhabitants in the smallest villages to 3246 inhabitants in the largest (Buctouche). The communities can be located in Figure 2.

Area:

1590 square miles, mostly covered by second-growth forest, and with 55 miles of shore-line.

Relation to growth center:

Connected by the two highways, and lying between twenty and seventy miles from Moncton; Moncton is a growing urban center designated by national policy for infrastructure grants and subsidies to new and growing enterprises. The population of the Greater Moncton Metropolitan Area is 76,250 inhabitants, and its annual growth rate is 1.7%.²

2. POPULATION CHARACTERISTICS

The population of Kent achieved its peak in 1956 and steadily declined until 1969. In the last two years small gains are evident, largely as a result of growth of the largest villages. The parishes of Richibucto, Dundas, and Wellington have increased their population, and it is these parishes that contain the largest villages, namely Richibucto, Cocagne, and Buctouche. Table 1 presents population figures and growth indices for 1931 through 1971.³

ESSENTIAL CHARACTERISTICS OF KENT COUNTY

FIGURE 1

CANADA AND KENT



ESSENTIAL CHARACTERISTICS OF KENT COUNTY

FIGURE 2

KENT COUNTY

TABLE 1
POPULATION: KENT COUNTY

Year	Population	Growth Rate
1931	23.478	100
1941	25.817	109
1951	26.767	114
1956	27.492	117
1961	26.667	113
1966	24.736	105
1971	24.901	106

Out-migration:

Our analysis shows that while in the early sixties out-migration remained steady at 1.6 per cent per annum, it reached 4 per cent in the years 1967 to 1968.

According to the Human Resources Survey,⁴ the majority of the emigrants are 15-24 years old. In the past 8 years approximately 4,000 young people have left their villages and farms.

Dependency Ratio:

With an out-migration consisting of such a high proportion of the population in the younger age groups, the resulting situation has been one of an increasing preponderance of children and older people, that is, of the dependent population. Return migration or backflow exists, but those who return usually do so at retirement age. Figure 3 depicts the resulting age distribution for 1969, and Table 2 presents the age distribution data with projections to 1981.

ESSENTIAL CHARACTERISTICS OF KENT COUNTY

FIGURE 3
AGE DISTRIBUTIONS CANADA AND KENT

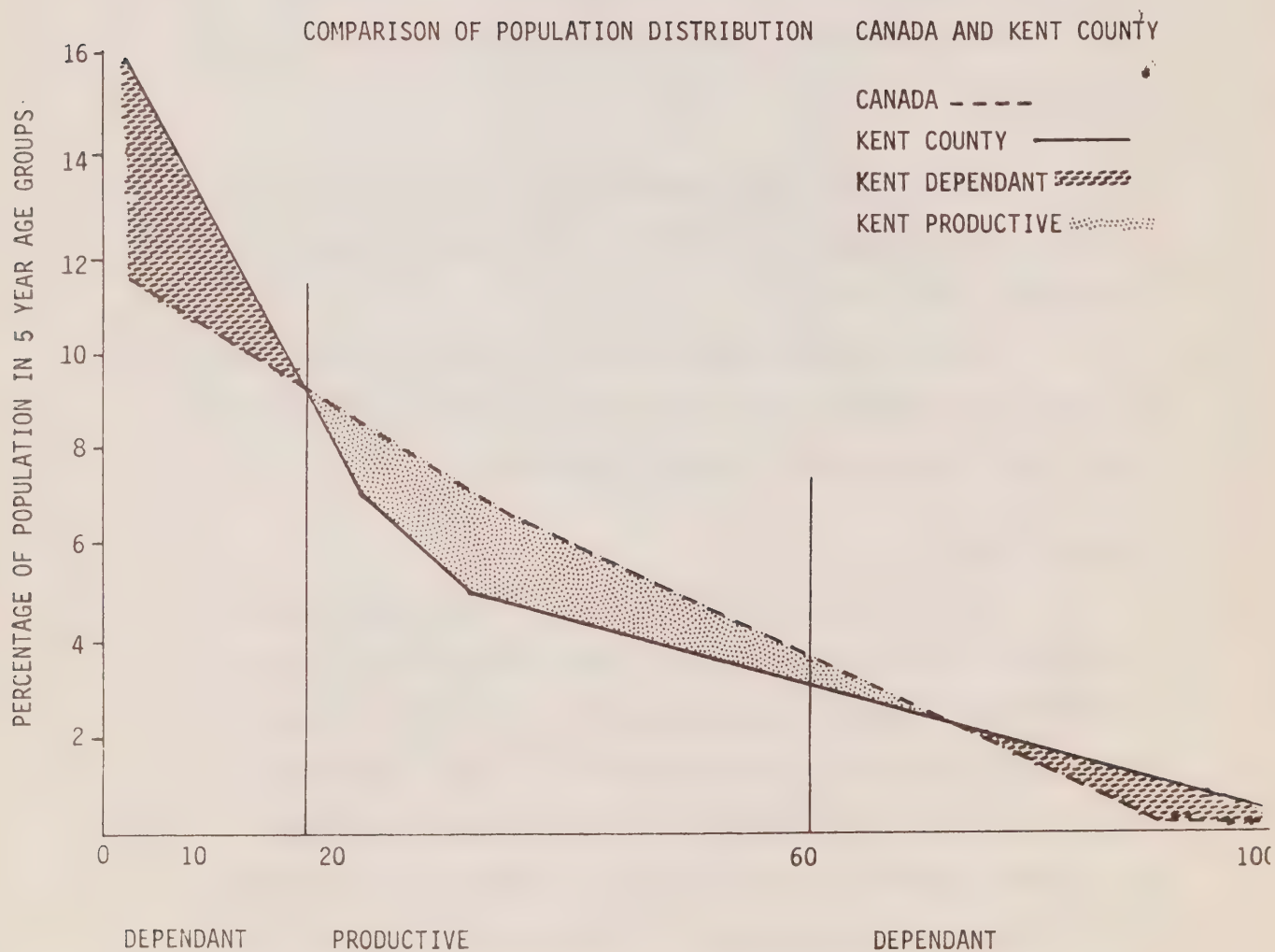


TABLE 2
AGE DISTRIBUTION, KENT, WITH PROJECTIONS⁵

Per cent of population

<u>Year</u>	<u>15-24</u>	<u>0-14,65+</u>	<u>0-14</u>	<u>65+</u>
1951	50.9	49.1	41.0	8.1
1956	50.5	49.5	41.5	8.0
1961	49.4	50.6	42.2	8.4
1966	51.1	48.9	39.4	9.5
1971	54.1	45.9	35.2	10.7
1976	56.9	43.1	30.5	12.6
1981	58.2	41.8	26.7	15.1

A skewed age distribution such as the one we have found in Kent County is a significant structural characteristic having other implications for the county, including a negative effect on the tax base and higher cost of government services.

Ethnic Composition:

French, (Acadian) 81.4%; English, 14.6%; Indian Native, (Mic-Mac) 4%.

Language:

In 1969, 35% of the adult population spoke French only; 15% English only; and 50% were bilingual.

Religion:

Largely Roman Catholic, other faiths are present. The religious factor, characterized by the unchallenged hegemony of the Catholic Church, creates an ambience only describable by well-known clichés: traditionalism, *esprit de clocher*. While there is no evidence of manifest anticlericalism in the area, evidence exists that the hegemony of the church is being challenged.

3. EDUCATION

The level of basic education is low in Kent County, and the better educated young leave more frequently than those with less education. The Atlantic Development Board Background Study No. 5, *Profiles of Education in the Atlantic Provinces*, indicates that in 1961, 34 per cent of the population in Kent County fell in the combined categories of illiterate plus functionally illiterate. The Third Annual Review, The Atlantic Economy, prepared by Atlantic Provinces Economic Council, September 1969 and *Some Economic and Social Characteristics of Kent County* prepared by the Office of the Economic Advisor, Government of New Brunswick, 1968, allows us to conclude that educational deficiencies for adults are still substantial.

A distribution of educational attainment by age from the Human Resources Survey follows in Table 3.

TABLE 3
UNDEREDUCATED ADULTS, KENT COUNTY

Age/grade	0-2	3-4	5	6	7	8	Total
20-34	47	216	182	321	430	625	1,821
25-49	191	362	354	456	425	681	2,469
50-64	337	506	331	291	253	543	2,261
65	423	556	231	173	114	231	1,738
Total	991	1,650	1,097	1,241	1,221	2,080	8,288

(8,288 adults represents 57 per cent of the population of the county over 13 years of age).

4. INDUSTRIES

Farming:

Seventeen per cent of the heads of households are farmers. 4/5 of all the farms, however, are subsistence farms and do not fall in the census category of commercial farms.

Fishing:

Employs 7% of the labor force full-time, a larger percent part-time. It is a cumbersome and overcrowded industry. It is heavily subsidized. Some opportunities may still be open, notably in diversification of shell-fishing, oyster farming being the primary example, scallop dragging being another.

Commerce and Services:

In the manufacturing sector half a dozen industries employ about 200 labourers; one major assembly plant in Buctouche employs four score skilled labourers. The manufacturing sector has the lowest value added per capita of the province; it employs 300 production workers and pays the lowest wages in the province (\$2.469 per annum, per person in 1966).

Table 4 presents a distribution by type of the 98 largest enterprises in the County (those that employed three people or more in 1969, to the exclusion of extraction activities).

TABLE 4
TYPE OF BUSINESS BY MAJOR PRODUCTS OR SERVICES OFFERED

Product or Service	Companies	
	No.	%
Wholesaler	12	12
Retailer	15	16
Primary Producer	13	13
Service	44	45
Combination	14	14
	—	—
Total	98	100

Tourism:

A national park is being built within the county. Potentials for income and employment exist in this sector.

5. INCOME AND EMPLOYMENT

Unemployment here, as with other areas of Canada which have been by-passed by the affluence of the 1960's, is marked. On a yearly average it is 40 to 50 per cent higher than for the province, in addition to considerable seasonality of employment. We found that transfer payments accounted for 22 per cent of all income in Kent County in 1970. (This applies to family allowances, old-age pensions, and other government transfer incomes, unemployment insurance and welfare). The number of welfare cases varies from about 650 in the summer to 800 in the winter. Average monthly payment per case is approximately \$100.⁶

Tables 5 and 6 present Means, Medians, Standard Deviations and Coefficients of Variation of Family Income for 1970 and 1971 respectively for twelve studied communities of Kent County. All figures are given in 1969 dollars, that is controlling for inflation in the last two years. Coefficients of Variation are ratios of Standard Deviation to Mean and represent indicators of equality.

Tables 7 and 8 repeat the measures of income and income distribution, but refer to personal income computed on a physical family member basis.

Tables 9 and 10 present the sources of income for the same communities and the same years.

Finally Figure 4 presents the Lorenz curves of distribution of family income for the years 1969, 1970 and 1971, for all communities combined.

ESSENTIAL CHARACTERISTICS OF KENT COUNTY

TABLE 5
FAMILY INCOME, SELECTED COMMUNITIES, 1970.
(in 1969 dollars)

Community	Mean (\$)	Median (\$)	Standard Deviation (\$)	Coefficient of Variation
St. Louis	5177	4537	2923	.565
Ste. Marie	4386	3474	2954	.674
St. Paul	4120	3320	2683	.651
Richibucto Village	4363	4037	2017	.462
Pointe Sapin	3334	3385	1997	.599
Acadieville	4669	4139	2626	.562
St. Ignace	4281	4085	2254	.527
Buctouche	4356	3598	3125	.717
Cocagne	4643	3616	3783	.815
Rexton	4547	3171	3413	.751
St. Antoine	4579	3882	2436	.532
Ste. Anne	4013	3332	2257	.562
All Communities	4372	3715	2706	.619

ESSENTIAL CHARACTERISTICS OF KENT COUNTY

TABLE 6
 FAMILY INCOME, SELECTED COMMUNITIES, 1971.
 (in 1969 dollars)

Community	Mean (\$)	Median (\$)	Standard Deviation (\$)	Coefficient of Variation
St. Louis	6476	5339	4248	0.656
Ste. Marie	4810	4517	3351	0.697
St. Paul	3946	3457	2049	0.519
Richibucto Village	4386	3571	2097	0.478
Pointe Sapin	4369	3518	2920	0.673
Acadieville	4780	4359	2205	0.461
St. Ignace	5044	5393	4192	0.831
Buctouche	5108	4011	3303	0.647
Cocagne	6845	6035	4913	0.718
Rexton	4486	3318	3512	0.783
St. Antoine	4617	3540	2625	0.569
Ste. Anne	4443	3332	2938	0.661
All Communities	5013	4199	3197	0.637

ESSENTIAL CHARACTERISTICS OF KENT COUNTY

TABLE 7
 PERSONAL INCOME, SELECTED COMMUNITIES, 1970.
 (in 1969 dollars)

Community	Mean (\$)	Median (\$)	Standard Deviation (\$)	Coefficient of Variation
St. Louis	1815	1510	1221	.672
Ste. Marie	1429	1007	1209	.846
St. Paul	1334	1135	1029	.772
Richibucto Village	1299	1303	637	.491
Pointe Sapin	1050	810	774	.737
Acadieville	1021	889	539	.529
St. Ignace	1371	896	1259	.919
Buctouche	1381	1220	928	.672
Cocagne	1496	1192	1163	.778
Rexton	2030	1475	2546	1.254
St. Antoine	1576	1484	780	.508
Ste. Anne	1360	1120	1100	.809
All Communities	1430	1170	1100	.769

ESSENTIAL CHARACTERISTICS OF KENT COUNTY

TABLE 8

PERSONAL INCOME, SELECTED COMMUNITIES, 1971.

(in 1969 dollars)

Community	Mean (\$)	Median (\$)	Standard Deviation (\$)	Coefficient of Variation
St. Louis	2178	1617	1989	0.914
Ste. Marie	1611	1401	1078	0.669
St. Paul	1269	1069	1111	0.875
Richibucto Village	1625	1419	907	0.558
Pointe Sapin	1327	842	1133	0.854
Acadieville	1308	932	1431	1.094
St. Ignace	1437	945	1229	0.856
Buctouche	1435	1290	780	0.544
Cocagne	2366	1590	2125	0.898
Rexton	2228	1552	2788	1.252
St. Antoine	1632	1473	979	0.600
Ste. Anne	1437	1503	842	0.586
All Communities	1661	1302	1368	0.825

Table 9
Percentage Distribution of Family Income,
by Major Sources and by Community, 1970

Community	Farming & Fishing	Non-incorp. Business	Wages & Salaries	Dividends Interest Royalties	Transfer Payments	Spouse's Income	Others
St. Louis	1.3	9.3	49.4	3.1	18.8	12.9	5.3
Ste. Marie	15.1	8.3	28.8	1.5	20.8	12.7	12.9
St. Paul	4.8	4.3	38.5	3.8	25.4	18.5	4.7
Richibucto Village	7.7	7.1	42.4	1.0	19.1	15.5	7.2
Pt. Sapin	25.0	3.4	23.3	1.0	30.7	5.8	10.8
Acadieville	1.4	1.8	57.1	0.6	24.9	8.6	5.6
St. Ignace	1.6	9.2	56.2	4.3	13.9	8.9	5.9
Buctouche	2.3	0	51.6	6.0	25.0	11.3	3.8
Cocagne	3.6	4.5	44.0	4.6	19.0	19.5	4.9
Pexton	2.5	7.7	40.8	10.9	18.7	12.9	6.4
St. Antoine	1.3	0	50.2	3.3	22.8	20.7	1.8
Ste. Anne	15.1	3.7	31.5	4.2	19.9	18.0	7.8
All Communities	5.9	5.0	43.9	3.7	21.7	13.7	6.1

Table 10

Percentage Distribution of Family Income,
by Major Sources and by Community, 1971

Community	Farming & Fishing	Non-incorp. Business	Wages & Salaries	Dividends, Interest & Royalties	Transfer Payments	Spouse's Income	Others
St. Louis	0.38	1.74	42.76	0.36	15.56	8.94	30.24
Ste. Marie	6.59	2.58	43.67	2.14	23.22	13.05	8.72
St. Paul	4.47	3.71	40.10	1.29	27.92	11.54	10.94
Richibucto Village	12.20	2.28	39.38	1.39	22.95	16.42	5.34
Pt. Sapin	16.49	1.71	24.99	0.34	26.79	6.90	22.66
Acadieville		3.89	43.99	0.62	32.62	12.48	6.37
St. Ignace	1.38	1.98	61.29	0.69	20.72	6.48	7.43
Buctouche	6.89		38.56	0.47	24.00	13.46	16.60
Cocagne	2.13	2.35	46.77	2.36	14.08	24.58	7.69
Rexton	3.86	16.32	28.53	2.47	22.39	12.39	14.00
St. Antoine	0.73	3.67	46.94	0.23	21.17	21.35	5.87
Ste. Anne	8.82		38.04	0.66	22.22	19.63	10.59
All Communities	4.78	2.94	42.50	1.04	22.12	14.05	12.54

ESSENTIAL CHARACTERISTICS OF KENT COUNTY

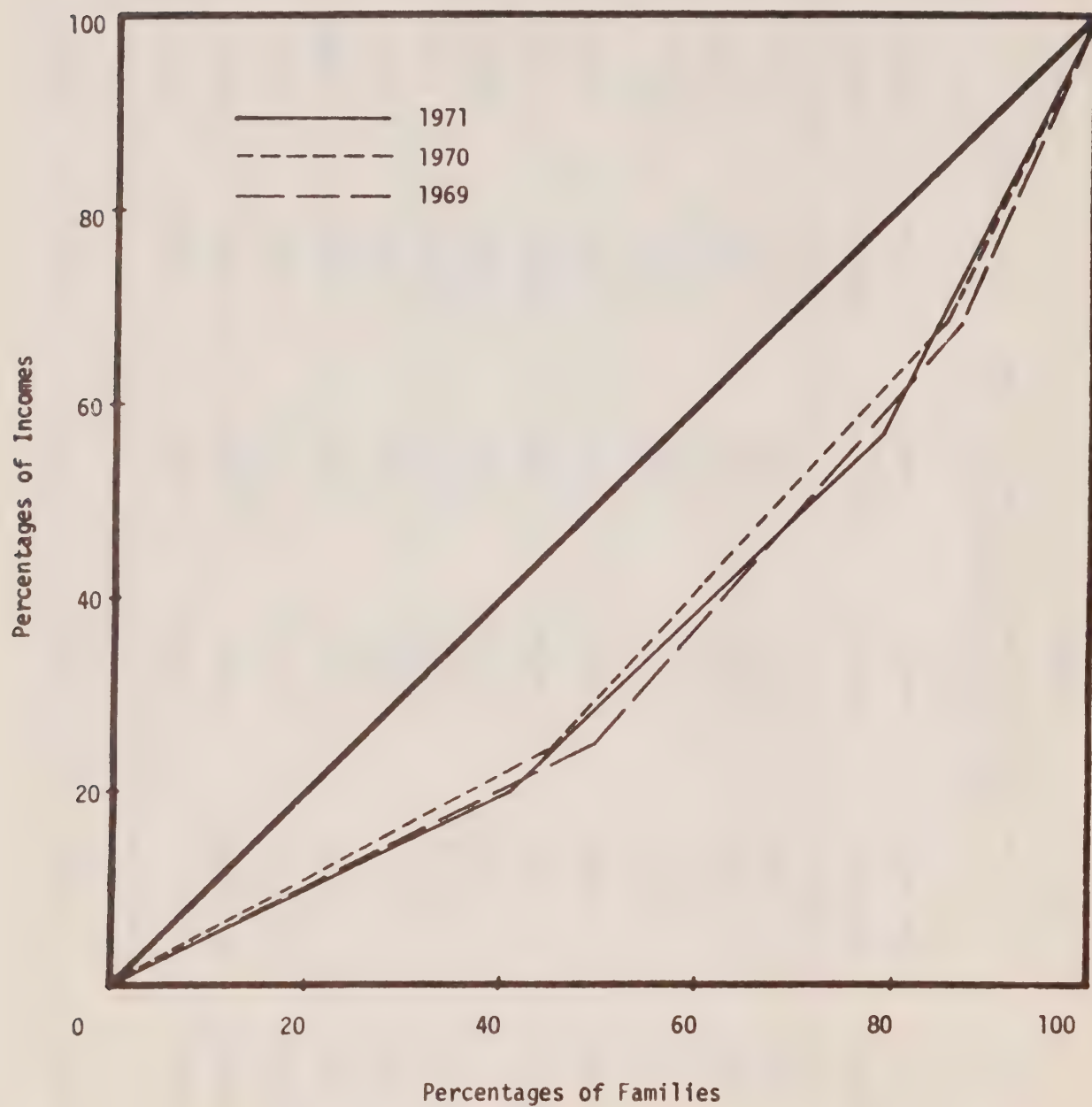


Figure 4: Distributions of Family Income in All Communities Combined, 1969, 1970 and 1971.

Selected Findings Kent County 1969-1972

Percentage Change

	A	B	C	D	E	F	G
	Mean Family Income	Median Family Income	Welfare Dependency	Ownership Cars and Trucks	Equality	Internal Control	Mental Health
NewStart Communities	+24%	+18%	-16%	+8%	+ 9%	+32%	+15%
Business Communities	+29%	+37%	- 6%	+7%	- 3%	+26%	- 2%
Control Communities	+21%	+ 5%	No change	-2%	-11%	+ 2%	- 8%
All Communities	+24%	+17%	- 5%	+3%	No change	+17%	- 1%

Farm Incomes

Community		Farming 1970	Farming 1971
St. Louis	%	3.8	5.41
	Ave	5395	8347
Ste. Marie	%	30.6	14.04
	Ave	5173	5284
St. Paul	%	19.1	18.61
	Ave	3589	4028
Richibucto Village	% Ave		
Pt. Sapin	% Ave		
Acadieville	%	15.9	28.76
	Ave	5468	5289
St. Ignace	%	19.6	20.14
	Ave	3564	4232
Buctouche	%	1.3	6.37
	Ave	3075	6423
Cocagne	%		4.27
	Ave		6867
Rexton	%	9.9	4.14
	Ave	3824	3609
St. Antoine	%	2.1	1.20
	Ave	4028	2952
Ste. Anne	%	5.3	3.62
	Ave	3885	3697
All Communities	% Ave	8.4 4288	8.55 4982

The decline of the farming industry in Kent County may be attributed to many factors. Prior to the New Brunswick Equal Opportunity program of 1963 local educational costs were borne by local taxation. This placed a heavy tax burden on Kent County, with its predominantly rural population. Also, the small farmers were unable to afford expensive machinery, and many young people were reluctant to face the hard labor and long hours required in non-mechanized farming. High feed, fertilizer, labor and machinery costs, compared to low prices for farm products, have driven farmers away from their farms. Local markets are being supplied by foreign producers, so that many of the local farms have become subsistence farming only.

In a series of meetings with local English-speaking farmers, the following complaints or recommendations have been made. They indicate a broad spectrum of problems, all of which militate against the farmer.

- (a) That the veterinary service in Kent County be improved. At present there is no resident veterinarian in the county, which is served from Moncton.
- (b) That the cream and milk quotas be enlarged. Many farmers have surplus cream and milk which they cannot sell because of quota restrictions.
- (c) That a beef marketing board be established.
- (d) That long-term farm loans be established, up to 50% of income, with interest rates no higher than 7%.
- (e) That prices for machinery, feed and fertilizer be lowered. Feed should be no more than \$5.50 a bag.

- (f) That a loan fund for improvement of farm buildings be established.
- (g) That subsidized drainage and irrigation projects be established.
- (h) That a Kent County beef feed lot be established.

ARDA

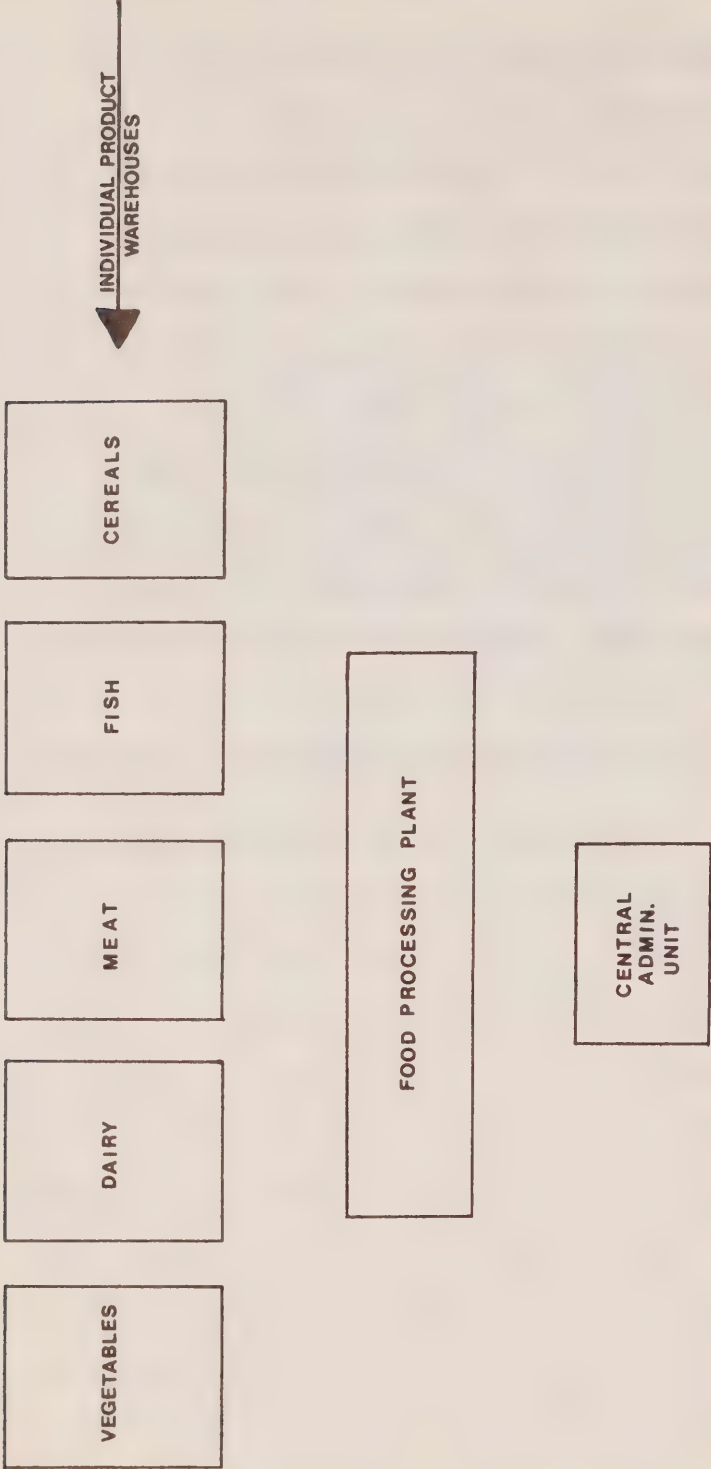
The third ARDA agreement between New Brunswick and Canada was signed in May 1971, but no advantage has yet been taken of it. A pilot planning project has been announced for Kent County, and some initial projects have been forwarded, although they have not yet been funded. The farmers of Kent County are putting together a project for presentation, based on regional vegetable warehousing.

Long-Range Project

Discussions with chain-store and wholesale buyers indicate that they are willing to take all of Kent County's produce, if this produce is properly packaged and a supply guaranteed. It is at this point, however, that the trouble starts. Most of the farmers are too small to invest in packaging machinery, and many of them refuse to do so, on traditional grounds. The market exists, and the production potential exists, but until the Kent County production can be concentrated, packaged and stored properly this potential is wasted.

It would appear that a possible solution is the construction, on a co-operative basis, of a central produce-handling complex. It is envisaged that a series of warehouses each dedicated to an individual product, be placed in a central location in the county. The role of each warehouse would be to accept bulk shipments, and to clean, grade, pack and store or market them, in their natural state. Rejects or produce for processing would go to an integrated food processing plant, which would process the produce as necessary. A central management and accounting cell would administer this complex, of which a schematic is shown as Diagram A.

If the Committee agrees in principle with this proposal, it is recommended that a feasibility study be commenced as soon as possible.



Schematic of a food processing complex for Kent County

Diagram A

APPENDIX "D"

PLANTATION COSTS ON OLD FIELDS

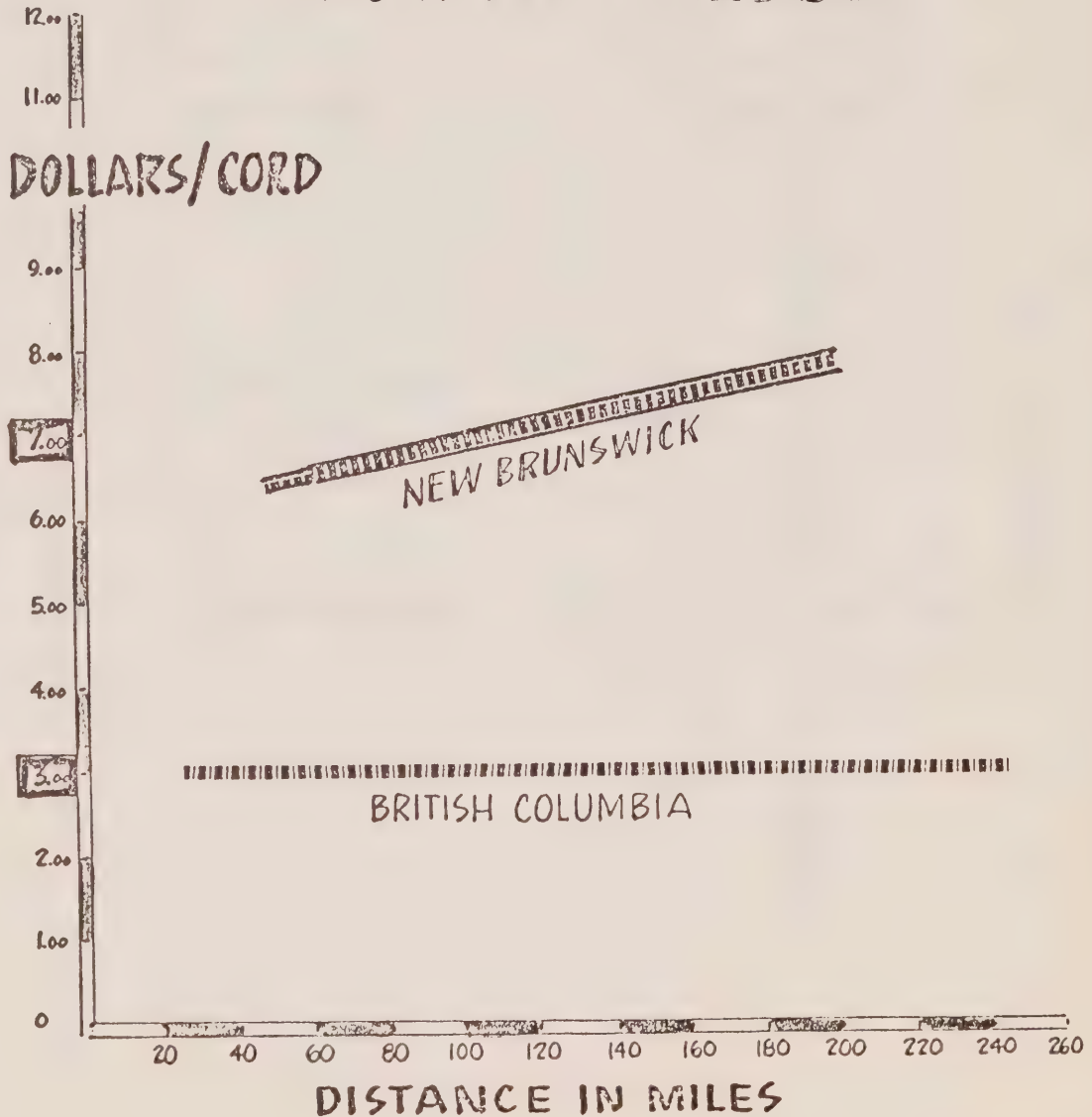
Land Cost	\$15.00/acre
Planting Stock	\$35.00/acre
Planting	\$20.00/acre
	<hr/>
	\$70.00/acre

\$70.00 invested today at 6% interest compounded
annually for 35 years = \$540.00

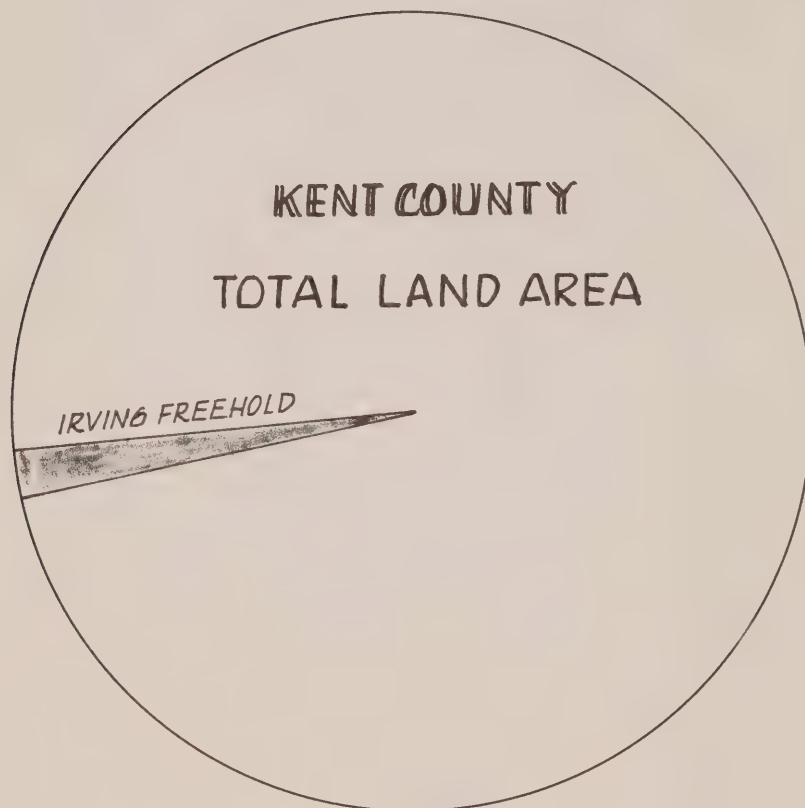
The Plantation will have to return \$540.00/acre
at age 35.

APPENDIX "C"

RAIL TRANSPORT COSTS PULPWOOD LOGS



APPENDIX "B"



TOTAL KENT COUNTY	1,145,600 AC.
TOTAL IRVING FREEHOLD	21,000 AC.



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Government
Publications

FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA

PROCEEDINGS OF THE
STANDING SENATE COMMITTEE ON

AGRICULTURE

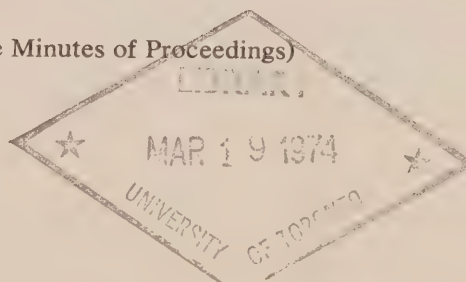
The Honourable HAZEN ARGUE, *Chairman*

Issue No. 7

TUESDAY, DECEMBER 4, 1973

Fourth Proceedings on the Study of certain aspects of agricultural problems in Eastern Canada

(Witnesses: See Minutes of Proceedings)



THE STANDING SENATE COMMITTEE
ON AGRICULTURE

The Honourable Hazen Argue, *Chairman*

The Honourable Senators:

Argue	McGrand
Belisle	McNamara
Benidickson	Michaud
Côté	Molgat
*Flynn	Norrie
Fournier (Restigouche- Gloucester)	Petten
Hays	Phillips
Inman	Sparrow
Lafond	Welch
*Martin	Williams
McElman	Yuzyk—(20)

**Ex officio* Members

(Quorum 5)

Order of Reference

Extract from the Minutes of the Proceedings of the Senate, March 28th, 1973:

The Honourable Senator Argue moved, seconded by the Honourable Senator Lafond:

“That the Standing Senate Committee on Agriculture which was empowered by the Senate on 22nd February 1973, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada: provided that no special expenses shall be incurred by the Committee without specific authorization by the Senate and full compliance with Rule 83A, and that all Senators shall be notified of any scheduled meeting of the Committee and the purpose thereof and that it report the result of any such examination to the Senate, have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purposes of any such examination; and

That the Committee, or any sub-committee so authorized by the Committee, may adjourn from place to place in Canada for the purposes of any such examination.”

The question being put on the motion, it was—

Resolved in the affirmative.

Robert Fortier,
Clerk of the Senate.

Minutes of Proceedings

Tuesday, December 4, 1973.
Morning Sitting.

Pursuant to adjournment and notice, the Standing Senate Committee on Agriculture met this day at 10.00 a.m.

Present: The Honourable Senators Argue (*Chairman*), Fournier, (*Restigouche-Gloucester*), Inman, Lafond, McElman, McGrand, McNamara, Michaud (*Deputy-Chairman*), Molgat and Norrie. (10)

The Chairman made an introductory statement and asked the members of the Committee and the witnesses to introduce themselves.

The following witnesses were heard:

Laval University, Quebec:

Mr. Victorin Lavoie, Dean, Faculty of Agricultural Science and Nutrition;

Mr. Yves Chartier, Secretary, Faculty of Agricultural Science and Nutrition.

Moncton University, Moncton:

Mr. Roland Cloutier, Dean, Faculty of Science.

Cabinet Secretariat, Economic Policy Division, Office of the Premier, Fredericton:

Mr. Louis-Philippe Albert, Coordinator of Resources Planning.

Nova Scotia Agricultural College:

Dr. H. F. MacRae, Principal;

Mr. J. E. Shuh, Vice-Principal;

Mr. P. Y. Hamilton, Registrar.

At 12.15 p.m. the Committee adjourned until 2.00 p.m.

Afternoon Sitting.

The Committee resumed at 2.00 p.m.

Present: The Honourable Senators Argue (*Chairman*), Fournier (*Restigouche-Gloucester*), Inman, Lafond, McElman, McGrand, McNamara, Michaud (*Deputy-Chairman*) and Norrie. (9)

Following discussion and at the invitation of the Chairman, the following persons commented and asked questions of the witnesses from the floor: Messrs. M. E. Andale, Economic Advisor, Farm Credit Corporation, and Mr. Albert Chambers, Assistant to the Chairman.

Slides illustrating teaching and research facilities at the Nova Scotia Agricultural College, Truro, were shown by Mr. Shuh, Vice-Principal. Questioning then resumed.

At 4.45 p.m. the Committee adjourned to the call of the Chairman.

ATTEST:

Aline Pritchard,
Clerk of the Committee.

The Standing Senate Committee on Agriculture

Evidence

Ottawa, Tuesday, December 4, 1973.

The Standing Senate Committee on Agriculture met this day at 10 a.m. to study certain aspects of agricultural problems in Eastern Canada.

Senator Hazen Argue (*Chairman*) in the Chair.

The Chairman: Honourable senators, we have a number of excellent witnesses. There was a suggestion that at some point they might have a general discussion among themselves, with senators making a contribution, so that ideas would be exchanged among themselves as well as between the members of the committee and the witnesses.

I think the way we will operate is to call, at the appropriate time, a spokesman, let us say, from each of the groups represented here, or any of our witnesses who wish to make an earlier presentation. There may be a brief question or two afterwards, but I think we should go through that particular phase as quickly as we can. Then, whatever time may be left this morning we can have for a general discussion. This afternoon our meeting will be a working session, and a time for getting down to a general discussion and, perhaps, some conclusions.

If that is agreeable, I will read the names of the witnesses and their positions, and welcome them.

The first on the agenda is Mr. Victorin Lavoie, Dean, Faculty of Agricultural Science and Nutrition, Laval University.

Next is Mr. Yves Chartier, Secretary, Faculty of Agricultural Science and Nutrition, Laval University.

Then we have Mr. Roland Cloutier, Dean of the Science Faculty, University of Moncton.

Then Mr. Louis-Philippe Albert, Resources Planning Coordinator, Cabinet Secretariat, Economic Policy Division, Office of the Premier, Fredericton, New Brunswick.

Next are Dr. H. F. MacRae, Principal, Mr. J. E. Shuh, Vice-Principal, and Mr. P. Y. Hamilton, Registrar, Nova Scotia Agricultural College.

We are also privileged to have with us this morning, as observers and as participants if they so wish, Dr. M. E. Andel, Director of Research and Farm Management, Farm Credit Corporation. With him is Mr. Aurèle Martin, Research Officer, Farm Credit Corporation.

I am Hazen Argue, your Chairman, and I would like each of the senators to introduce himself or herself, just so that the witnesses know with whom we are dealing.

(The honourable senators introduced themselves.)

The Chairman: Our Deputy Chairman is Senator Hervé Michaud who, of course, is directly interested in this problem, since he comes from Kent County, New Brunswick. He has done a great deal of work in this area. He has been the inspiration of this whole venture, and it is his work and his inspiration that have resulted in this meeting.

Hervé, do you want to add a few words of welcome at this time to your friends?

Senator Michaud: It is a great privilege to have them here. I do want to say that I am very happy to have with us this morning these witnesses from the various institutions which have been indicated, and I know that they will be of great assistance to us in our deliberations.

[Translation]

I am pleased on behalf of the Committee to welcome our guests, this morning. I know that the various institutions which they represent will be able to help us in our proceedings to find solutions to the agricultural problem in the eastern part of the country.

[Text]

The Chairman: I notice that on our agenda we have outlined topics for this morning and this afternoon, and in your opening statements you may wish to cover both of them. That is a matter that we will leave up to you.

We have listed as our topic for this morning Professional Education for the Agronomist, which would deal with the educational side of the picture and with those people who are going back into the agricultural sphere as practical farmers or professionally. The second topic deals with adult or continuing practical education for farmers themselves. This agenda was drawn up only a few moments ago, and if you would like any changes, please let us know.

I suggest that we hear first from Dean Cloutier; then from a representative of the Nova Scotia Agricultural College, who will probably be Dr. MacRae, and then from the Dean of Agriculture of Laval. Then Mr. Albert, from the Office of the Premier of New Brunswick, might like to make a contribution.

So, without any further ado, if this is agreeable to you, I shall ask Dean Cloutier, of the Faculty of Sciences at Moncton, New Brunswick, to make his presentation at this time.

[Translation]

Mr. Roland Cloutier (*Dean of the Faculty of Sciences of the University of Moncton*) Thank you, Mr. Chairman.

I immediately wish to thank Senator Michaud for extending me an invitation to appear before you this morning. It is a pleasure for me to comply with this request. First, because this is a meeting which pertains to the academic and professional field, and as Dean of the Faculty of Sciences of the University of Moncton, I believe I have something to say or a message to deliver to you.

I will simply make an enumeration.

From an academic point of view, I would like today to demonstrate two points and leave you with a question.

The first point is that, at present, the Faculty of Sciences of the University of Moncton set up a committee, and a program dealing with Health Sciences. Senator Michaud has already been informed by Mr. Chartier of Laval University that this program goes back to an understanding in 1968-69, between Mr. Louis J. Robichaud, the then first minister of New Brunswick, and Mr. Cardinal, Quebec's Minister of Education.

According to the terms of this understanding, Laval agreed to admit each year, five medical students from New Brunswick; Montreal, five medical students and five dentistry students, and Sherbrooke three medical students.

The terms of the agreement are as follows: the New Brunswick government agrees to grant to the Quebec government an amount equal to three times that which it gives to the universities of the province of New Brunswick, up to a maximum of \$7,000 per student, per year.

The amount paid last year would then be—and I quote from memory—between \$149,000 and \$153,000—I do not know exactly, but it is an amount of this magnitude.

Our problem is thus that of adequately preparing for the Health Sciences such as they are taught in the French-speaking universities of Quebec. The registration profile in these faculties or schools of Health Sciences is called Code 42.

If I refer myself to the Laval University calendar, the yearly registration required for Agronomy Sciences is Code 44, which in turn refers us to Codes 42 and 40.

This means that students actually registered in our introductory course to Health Sciences are in effect ready and eligible for admission to the faculty or school of Agriculture of Laval University.

We can do it without bringing any change to our programs as such.

So, this is the first point. This is to a certain extent an answer to Senator Michaud by stating that the University of Moncton should do something. The University of Moncton can do something. We are doing it at the moment with only two students, Mr. Riou, who registered last year through this program and Mr. Daigle, a second year student, who registered two years ago, I do not have—

Mr. Chartier: In 1972-73?

Mr. Cloutier: Ah! I do not have this.

Mr. Chartier: He was in Electrical Engineering.

Mr. Cloutier: I see. He did not attend Moncton University, I do not know him.

Mr. Chartier: No, he was not at Moncton University.

Mr. Cloutier: He did not attend Moncton University. I do not know him. This was my first point.

My second point is that I would like to deliver to you the following message. I have with me a list of the 15 students presently registered in this introductory program to Health Sciences and who want to become agronomists—through your program of bio-agronomy or of agro-economy. I held a meeting last week for all students registered with the Health Sciences, in addition to those registered in Biology, and asked them whether they were interested. I communicated the information contained in the correspondence between Senator Michaud and myself. I then asked them: are you interested, yes or no? The result: I have at present 15 names. If the Committee so wishes, I cannot acquaint them, not with their academic record, but I certainly can tell them where they come from, their permanent address and their geographic distribution within our province, in order that they may have an idea of the scope of their interests. This is the second point on which we can elaborate later.

The third point is a question: how will we manage, gentlemen, if Moncton University is able to face this situation, if the University of Moncton has students who are interested—these are students from our province, from New Brunswick—what are we to do? I have here but one recommendation, the Robichaud-Cardinal agreement, this is all very well, but believe me, it does not provide New Brunswick with doctors.

The government pays a considerable sum each year but it is a fact that the Medical Director—this is an official committee—the Medical Director of the Enfant-Jesus Hospital, in Quebec City, is a doctor from Shediac, educated in our province and who attended Laval.

It is certainly not the way to get professionals who are going to work in our province. I think that the most direct solution would be a system of bursaries, a bit like those of the Armed Forces, whereby the student is compelled to return to his province to practice his profession for the number of years he was granted his bursary, and if perchance he gets married—we are in agriculture and it is a tree taking root—this is a formidable gimmick—well, the agronomist stays in our province.

So, the investment is much smaller in comparison to what the government grants to Health Sciences—much smaller—but I believe that the returns would be much greater.

This is all. I thank you.

[Text]

The Chairman: Thank you very much. Shall we take a question or two now? If not, we will keep going and hear all the presentations. Thank you very much, Mr. Cloutier.

Shall we proceed to Dr. MacRae, Principal of the Nova Scotia Agricultural College, at Truro?

Dr. H. F. MacRae, Principal, Nova Scotia Agricultural College: Honourable senators, I might take a few minutes at this point to present briefly some background of the Nova Scotia Agricultural College, the type of institution it is and the types of programs it has offered and is continuing to offer. I realize that when I do this many details and questions will emanate from such a broad background. I

thought, however, Mr. Chairman, that this might be the appropriate manner in which to begin, for the information of those who may not be too familiar with the institution and the programs it has offered over the years.

The Nova Scotia Agricultural College is in fact 68 years old. It began operations in 1905 and since that time has provided post-secondary education for the four Atlantic provinces. It may be important to emphasize here that since the founding of the institution it has been recognized as the instrument for post-secondary agricultural education. It is, therefore, perhaps more correct to say that it has functioned as an Atlantic institution, rather than as a strictly provincial one, although it happens to be located in Nova Scotia. Although this has been an unwritten rule, as far as I am aware, it is interesting historically that there has been an understanding, for example, for many, many years between the Province of New Brunswick and the Province of Nova Scotia that the University of New Brunswick would provide forestry education for students from the Atlantic region and that the Nova Scotia Agricultural College would provide post-secondary agricultural education. This has obviously been perpetuated until the present time.

It is probably also interesting in the present-day context to recognize that when we went through a period during which a proliferation of post-secondary educational institutions occurred, this type of understanding continued on the basis that the Atlantic region would perhaps have difficulty supporting such a proliferation of institutions, both in the case of forestry and in the case of agriculture.

If you were at our location, I probably would not have to make the following brief comment. The college is very well equipped with modern teaching facilities, laboratories and classrooms. It has a relatively new farm complex located right on the campus, which we think is perhaps second to none in Canada. We have residence accommodation for approximately 400 male and 100 female students.

In terms of programs, the Nova Scotia Agricultural College has provided since its founding, credits towards a Bachelor of Science degree in agricultural sciences. The college currently offers the first two years of the B.Sc. program, a four-year course, leading to a degree in the agricultural sciences. We offer the first three years of a five-year course leading to a degree in agricultural engineering. Most of the college graduates in the agricultural sciences complete their programs at Macdonald College at McGill University, or the University of Guelph. Again, this has been a long-standing arrangement, although not, I should add, a formal affiliation. Contracts or affiliations in the formal sense have never existed between these institutions. Rather there exists an understanding that students would proceed to complete their degrees at either of these institutions.

In addition, we have an arrangement with the University of Maine which would provide for students who may wish to specialize in a particular area, although this arrangement has not been utilized to the same extent as those with Macdonald College and the University of Guelph. In fact, this relationship is such that we have joint curriculum committees of these institutions so that our curriculum or, conversely, theirs, is always completely in step with the curricula of the others. This applies, of course, to the agricultural sciences.

Most of the graduates in agricultural engineering proceed to the Nova Scotia Technical College in Halifax for their final two years. That is, three years at the N.S.A.C. and two years at the Nova Scotia Technical College.

In addition to this, we provide the two pre-vet. years for admission to the course in veterinary medicine at the University of Guelph, where in fact the Atlantic provinces have a quota or number of seats and students that they can accept each year.

These are the professional degree programs, Mr. Chairman, which appear first on your agenda. I am sure that we will probably have more detailed discussion regarding these later, but I wish simply to set the background for what we offer.

In addition to the professional degree programs, we provide a fairly wide range of technician technology programs which may be of either two or three years' duration. These technician programs include technical studies of quite an applied nature in animal science, plant science, agricultural engineering and agricultural business. In addition, we offer technology programs in ornamental horticulture, biology lab. technology and chemistry lab. technology. This is, therefore, another side of the coin insofar as our institution is concerned. I wish to comment upon the object of these programs in just a moment.

Before I do so I should also mention that we make provision annually for a very wide range of vocational courses and programs. We have with us, for those who may be interested in seeing such documents, a detailed listing of the vocational courses offered in any given year. From time to time students from the four Atlantic provinces are involved in these vocational courses. In fact, we have booklets here, covering the last three or four years, which will indicate to those interested in this aspect even the names of the students, their province of origin, the distribution of the students and the type of vocational courses in which they have been involved over the years.

The technical and vocational programs at the Nova Scotia Agricultural College are really designed to benefit farming and the agricultural industry as a whole in the Atlantic region. The purpose of the program is, firstly, to train farmers, farm managers and farm leaders. In general, it attempts to train competent manpower for farm-related business or occupations, in which a knowledge of agriculture, of course, is paramount and essential. The program is also designed to train technical personnel to assist professional agriculturalists in their research and extension programs. Finally, it trains skilled workers for various specific areas of farming and farm-related businesses.

We have data which will be referred to later, Mr. Chairman, or information in this regard, which some of my colleagues may wish to discuss later. It illustrates for example the types of employment to which our technician technology students have gone since this program began in 1968. We have also data illustrating the general occupations and the sources of employment for the students from 1968 to 1972. We have also information in respect of the employment of such graduates for the past year, 1973. It might be interesting to point out that of the total number of students in our technician technology programs in 1973, 32 per cent have returned to farms, either as farm managers or in some other function of on-farm operations. This is certainly, I would think, the highest percentage of

people who have gone back to on-farm operations since the program was first started.

The enrolment at the Nova Scotia Agricultural College this year has hit an all-time high. We have the highest number of students the institution has ever had. You may be interested to know that out of a total of approximately 400 students we have 104 female students. So there is no cause for any women's lib movement in our institution—or perhaps I should say, in agriculture, at the present time.

In fact, about one-half of our student population is in professional degree programs and one-half in technician technology programs. We have these figures available, and during the question period you may be interested in having some of this data made available. Mr. Chairman, I do not think I should take the time at this particular point. Having briefly tried to present the background of the institution, and the kinds of programs offered, I am sure that a great deal more detail will come up during discussion in the question period.

Senator Michaud: How many from New Brunswick would you have in the professional division?

Dr. MacRae: We can check the details of these figures. Over the past five years, in all of our programs—degree plus technician technology—about 23 or 24 per cent, or about one-quarter of our total student population were New Brunswick students. I would think that on average about 50 per cent of our students over that period came from Nova Scotia. The remaining 25 per cent came from P.E.I., Newfoundland and other places. Prior to the last five years, there have been years where over 50 per cent of our total student population came from the province of New Brunswick. Now it is 25 per cent.

Senator Michaud: Of that 23 per cent, how many would be in the professional division and how many in the technical?

Dr. MacRae: Have you the figures, Mr. Shuh, that give the breakdown?

Mr. J. E. Shuh, Vice-Principal, Nova Scotia Agricultural College: No, I have not that figure.

Mr. P. Y. Hamilton, Registrar, Nova Scotia Agricultural College: It is about half and half.

Dr. MacRae: I would think about half of them would be in the degree division and half in the technical technology division.

Senator Inman: I found it interesting to listen to Dr. MacRae. What percentage of your students who come from Prince Edward Island tend to go back to the home farm, to mixed farming, and to make it their life's work? How many plan to do that?

Dr. MacRae: That is an almost impossible question to answer. To try to predict the number of students who come into the institution with that intention is difficult. There are, of course, demonstrated cases where students come in and say, "I am here with the sole objective of going back to my home farm, because that farm is available to me." We find that happens in many instances. But, as an educational institution, this is one of the things that we have great difficulty in finding out during the course of the student program.

Senator Inman: You mentioned the fact that you do keep records as much as you can. In my province, I know of cases of students who went over with the intention of coming back and taking over their father's farm. They have done so, and, after a couple of years, they have moved out into something else. I wondered if you kept any record of these cases.

Dr. MacRae: I suppose that if we were to go through our alumnae association findings we might be able to find out what kind of figures this would represent. This has probably been a kind of pattern which has not been typical of P.E.I. students, but of students from most provinces. Perhaps one has to say, when these kinds of things happen, that the alternatives are better for these people. This probably has to be the answer. Mr. Shuh might like to comment. He may be more familiar with the figures.

Mr. Shuh: I wanted to comment that I know there is a movement in the other direction as well, that some students, after graduation, take employment for a couple of years with a company, and then, after five or six years, move back to the farm. So there is a movement in both directions.

The Chairman: The percentage of degree people who would eventually go back to the farm would still be quite small.

Dr. MacRae: But it is increasing; the tendency is more and more in this direction.

Mr. Shuh: The Dean of Agriculture, at a meeting a week ago, told us that the number of degree-course students from Guelph who had gone back to the farm had risen from about 5 per cent four years ago to 20 per cent this past year. So there is a definite increase in the number of degree-course students who are returning to the farm. I think this is also tied up with the fact that right now farming looks financially much more attractive than it did four years ago.

Senator McGrand: My question is similar to that of Senator Inman. I should like to know, if possible, approximately the number of people who received agricultural training in Nova Scotia and actually went back to work the land. We are in a crisis of farm abandonment. People are leaving the land. We have had agricultural technicians and agricultural representatives for a long time, but we have not begun to solve the problem of people leaving the land simply because they cannot make a livelihood.

Dr. MacRae: I might go back to the figure I quoted earlier. In a sense, it represents quite a dramatic change. Going back five or six years, we might have looked at our figures and said that somewhere from 3 to 5 per cent might have been going back directly to on-farm operations. This past spring it was 32 per cent. It represents quite a swing in the opposite direction.

Senator McGrand: Would that apply to New Brunswick?

Dr. MacRae: I think it would apply equally to New Brunswick as to other provinces.

Senator McGrand: What do you mean by "technical" people? Do you mean laboratory technicians, and so on?

Dr. MacRae: No. We have programs, of either two or three years duration, which are specifically designed to

train people in the applied arts, such as animal science or plant science. For example, agricultural business is one of the programs whereby students would receive specialized training.

Senator McGrand: You mean all the technical work, live-stock management, and so on?

Dr. MacRae: It has a basic course input in the first years, coupled with applied training.

Senator McGrand: Those are the people who you say are actually going back?

Dr. MacRae: Those are people who are actually going back. I think you would probably find that there are more people coming out of the degree, professional, programs today who are going back actually to manage and operate farms—if, in fact, they can get farms to operate. I think this is a very fundamental point.

Senator Michaud: You said that out of 400 male students enrolled, 23 per cent were from New Brunswick.

Dr. MacRae: Yes.

Senator Michaud: Can you recall off hand how many of those would come from French-speaking districts? Our terms of reference say:

That the Senate Standing Committee on Agriculture consider the matter of marginal, submarginal, and abandoned farm lands in Eastern Canada, noting in particular the situation in Kent County, New Brunswick . . .

In Kent County 81 per cent are French-speaking, and I think the same situation in that regard applies as well to all the eastern shore as far up as the County of Madawaska.

We were told by Mr. Cloutier in his remarks that there were two students from this region at Laval, and naturally they would be French-speaking. I should like to know what proportion of the 23 per cent coming from New Brunswick are French-speaking.

Dr. MacRae: At the present time there are 11 new French-speaking students from New Brunswick in our program, senator.

Senator Michaud: In the professional division?

Dr. MacRae: No, that is in total, between degree and technician. The figures you are after are easily obtainable.

Senator Michaud: You do not know how many would be involved in professional training?

Dr. MacRae: No, although we could find out very easily. We simply did not make that kind of breakdown. At the moment there is a total in the institution of 15 or 16, if I am not mistaken, French-speaking students from the province of New Brunswick. In fact, I think we have the largest number of French-speaking students, in this particular year, that we have ever had. Certainly 11 new, incoming students is a larger number than we have had in the past.

Senator Molgat: Dr. MacRae, do I understand correctly that you are not a degree-granting body?

Dr. MacRae: That is right. We only provide the first two years of the degree program.

Senator Molgat: And I gather from what Mr. Cloutier has said that, equally, the University of Moncton does not grant degrees in agriculture. Is there a degree-granting body in the Atlantic region?

Dr. MacRae: No. We are the only institution providing degree credits in post-secondary agricultural education. There is no degree-granting institution at the present time in the Atlantic region providing professional degrees.

The arrangement in this respect with McGill, which has gone on for some 60 years, as well as the arrangement with the University of Guelph, are long-standing ones. Regardless of what one might argue as to the disadvantages of these kinds of arrangements, there are certain distinct advantages for the students who go through this system, in my view, in the sense that the students working towards a Bachelor's degree are exposed to two totally different environments. That, to me, is a very distinct advantage of this system. There may be disadvantages, of course, but there is certainly that distinct advantage.

Senator Molgat: These arrangements are for a set number of students, are they?

Dr. MacRae: No, there is no limit. There never has been a limit.

Senator Molgat: And you have never been turned down?

Dr. MacRae: We have never been turned down, no.

The Chairman: The limit would be through your own college, if there is any limit?

Dr. MacRae: As a matter of fact, at the present time our own facilities are becoming limited because of the increase in enrolment.

Senator Molgat: Is there a danger, in your view, when the students do go on to the University of McGill or the University of Guelph, that the tendency might be to take employment elsewhere rather than to return to the Maritime region?

Dr. MacRae: I am a native Maritimer myself, although I worked at McGill for some 20 years. One of the common observations that was always made around that institution was that Maritimers were tremendous homing pigeons—it didn't matter how far you moved them away from home, they always gravitated back. I think there is a greater tendency, in fact, for students from the Atlantic provinces to return to the Atlantic region. I stand to be corrected by my colleagues in this respect, but it was my observation at McGill over the years I spent there that if there was any possible way of returning to work in the Atlantic provinces by far the larger proportion would return.

Mr. Cloutier: Do you have any statistics to support your view as to the number who do return?

Dr. MacRae: We could obtain this information by going back over a period of years. We now have reasonable records in our alumnae association. We could go back and determine just what rough proportion of these people have returned to the Maritime region. I would suggest that the proportion is fairly high.

Mr. Shuh: We did conduct a study on this particular question a few years back, on selected classes. That study showed that immediately after graduation approximately

30 per cent of the graduates were back in the Maritimes; ten years later, about 60 per cent of them were back in the Maritimes.

The Chairman: That is the very opposite of what we usually think is the case.

Senator Molgat: One last question, if I may. To your knowledge, Dr. MacRae, do any of the Atlantic governments subsidize any of the students attending the University of Guelph or the University of McGill under this program?

Dr. MacRae: Only in the sense of whatever scholarships they may bring with them. I do not know of any other form of subsidization.

Senator Molgat: For example, we in Manitoba have a program with Guelph for veterinary students, and these students are very heavily subsidized by the government on the condition that they return to Manitoba.

Dr. MacRae: That is not the case in the Atlantic region. I think in the case of all our students, even those who go into veterinary medicine, there is no subsidization of that kind.

The Chairman: Thank you, Dr. MacRae.

We shall now hear from Mr. Lavoie, Dean, Faculty of Agricultural Science and Nutrition, Laval University.

[Translation]

Mr. Victorin Lavoie, Dean, Faculty of Agricultural and Nutritional Sciences, Laval University: Mr. Chairman, honourable Senators; first of all, I apologize for my physical condition, I have the flu. It is very severe in Quebec. In any case, we have nobody to blame because it is not the English flu. However, you will have to put up with me all the same and unfortunately with my poor condition as well.

Therefore, on behalf of the College of Nutritional and Agricultural Sciences of Laval University, I can say that this college has been established since 1962 on the campus of the University.

In the Province of Quebec agricultural tradition goes a long way back and already at the beginning of this century there were two agricultural colleges in the province, namely, in La Pocatière and in Oka, near Montreal. One was affiliated to Laval University and the other to Montreal University.

After an investigation was conducted in 1960-61 it was decided to merge these two colleges and to establish them on a university campus, with all the advantages and drawbacks involved. In any case, we only saw the advantages, because, I think one must be optimistic and consider that students who attend courses dispensed by other colleges besides ours, benefit from a more elaborate social infrastructure along with intellectual facilities such as, clubs, libraries, etc.

The College of Agricultural and Nutritional Sciences is now a different faculty. It is no longer an agricultural college in the traditional meaning of the word. It deals now with all the activities all the way from the soil to the consumer's table. Therefore, we have programs dealing with soil and soils management, food processing, food technology, therapy, diet therapy, and finally, consumer

affairs including the social and economic aspects of these activities, of these subjects.

We pursue the following goals: first of all, teaching and training if you wish—it is perhaps more accurate to speak of training rather than teaching—at three levels.

The first graduate course extends over a four-year period after 13 years in grade school: namely, six years in primary school, five years in junior high school, and two years in senior high school. Therefore, the first graduate course of four years leads to a Bachelor's degree in Applied Sciences.

We also teach, that is, we provide training in terms of research at the post-graduate level, namely at the Master's level which is, on the average, a two-year course. We are now thinking of establishing professional master's degrees.

Finally, the advanced post-graduate studies, at the doctorate level, is, on the average, a two-year course and leads to what is called a Ph.D.

Research is the second goal, the second activity. All our teachers hold master's degrees and Ph.Ds in research. We do a lot of research at the College of Agricultural and Nutritional Sciences. For instance, this year we have a \$200,000 project to organize research. Those funds are mainly allocated to us by the Quebec Schools Research Council, but also by the federal Department of Agriculture, and the National Research Council, and to a lesser degree by some of our industries.

Expansion is the third activity, namely, what we can do for the society we live in and more especially the agricultural sector. In this regard, we have organized, on a rather small scale I must confess, some activities, for instance, upgrading courses for agronomists along with specialized courses for industrialists such as wine makers, cider makers, etc. We also have courses in social action for Quebec's farmers.

Finally, we have another activity. It deals with developing countries and is carried out mainly in French-speaking Africa. Therefore, we are implementing a program in Morocco where we have, I think four full time teachers who will be seven within a year, together with between six and eight teachers invited to teach each year in a national agricultural school. It is with the co-operation of Africa that we have developed this program.

We also have, in terms of research, a program in co-operation with Senegal's Institute of Tropical Agricultural Research. The research is carried out through an arrangement with IDRC, the International Development Research Centre. I have already mentioned to you that the course leading to a Bachelor degree in Applied Sciences in agronomy is a four-year course. Now, this course is divided into six programs and the resources are provided by eight departments. You will notice therefore, a two dimensional structure, which means that colleges and departments provide the necessary resources to support the following six programs: bio-agronomy, agro-economy, rural engineering, food products and consumer affairs which are all included under agronomy. There is a sixth program organized by our college; it has to do with dietetics, and belongs to the group of programs on health sciences, along with the medical school, pharmacy, nursing sciences, etc.

I should mention that the rural engineering program has been approved by the Canadian Association of Engineers, which expressed a very favourable opinion on the quality of these studies. Also, the food program of the Nutrition Department has been approved by the American Association of Food Technology.

We have now 454 students which is a record year, with 205 first-year students; that was unforeseeable a few years ago.

Senator Michaud: Would you mind repeating these last figures?

Mr. Lavoie: 205 first year students.

Senator Michaud: This year?

Mr. Lavoie: Yes, this year—including dietetics.

Regarding technological and vocational training, well, it is not our responsibility. The Departments of Education and Agriculture are directly responsible for it. For instance, agricultural technology is being taught in two agricultural institutes, at La Pocatière and at St. Hyacinthe, with programs on soil technology and rural engineering.

Also, at the senior high school level, the Department of Education is now developing a program of studies for farm operators and I think the institute in St. Hyacinthe does it as well. Do not question me on the administration of all that; I will not be able to answer.

Regarding the vocational sector, it is at the high school level, with the composite high schools, you have certainly heard of.

Mr. Chairman, this is what is being done in New Brunswick.

All I can only tell is about our resources.

The College of Nutritional and Agricultural Sciences occupies a building known as the Comtois Pavillion, in honour of lieutenant governor Comtois, who was an agronomist. It can accommodate a larger number of students than it has now. There are 62 teachers, which means with our present enrollment of 450 students that is a rather low ratio, and that we could receive a larger number of students without straining our resources.

We can also mention our desire to help outside of New Brunswick, which means that in this regard we consider the national interest since ours is the only French-speaking college teaching agricultural and nutritional sciences in America. I believe that wherever French-speaking students hail from, they can, if they wish, and it is their right, get their agricultural training in a French-speaking institution. I would go even further and mention that we are expressing the wish, which has already been voiced, for student exchanges which means that English-speaking students can very well learn a second language while studying agronomy, that is, French, just as French-speaking students can do the same in English-speaking universities. Already some years ago, this initiative was taken, mainly in terms of research. In summer, we received students from Alberta who worked with us in research, in exchange for our students who attended Alberta University and who worked in an English environment.

Therefore, there is the national interest I am mentioning and I think what Mr. Cloutier has spoken of, the scholar-

ships, is very good. We have this scholarship system at the two post-graduate levels. Regarding our students and the funds allocated by the provincial government, these students agree to work for the province for an equivalent number of years, or twice the number of their scholarship. It is a very fortunate way to help people, without forcing them to get married, as Mr. Cloutier pointed out, by means of financial assistance, and they are still under an obligation.

I am through, Mr. Chairman. I am ready to answer questions.

[Text]

The Chairman: I realize you grant a degree in agriculture but do you also provide vocational training in agriculture, training at a lower level, for people who wish to go back to the farm, shall we say?

[Translation]

Mr. Lavoie: No, this is not the case at all; in our case, instruction is only at university level. As I have said, technological and vocational teaching is the responsibility of the Departments of Education or of Agriculture.

I could mention that colleges, as in all Canadian universities, I presume, are independent corporations. Therefore, government action lies with the type of instruction.

Senator Michaud: Mr. Lavoie, could you elaborate on the last point you have developed, namely, scholarships granted to students who are registered in the College of Agriculture?

Mr. Lavoie: At the graduate level, this obligation is paid to us, the Department of Education grants scholarships, amounts of money, loan scholarships, if you wish, to agricultural students and there are no strings attached.

In relation to the post-graduate levels, the master's degree and the doctorate, now the students are bound by a contract with the Department of Education to return to work in the Province of Quebec, for a number of years equivalent to the number of years during which they were attending university. I remember that some years ago, I am not sure whether this is done now, the Department of Agriculture demanded twice as many years during which the students were receiving a scholarship; if they had obtained a two-year scholarship, they had to work for four years in the province.

Senator Michaud: Does New Brunswick benefit from this assistance from the government?

Mr. Lavoie: I think this is a question which the New Brunswick government should be asked. I suppose, if official circles in New Brunswick become aware of the importance of training in agronomy, they might make the necessary effort so that those scholarships become available.

There is also a system of scholarships for students from developing countries, but as I have already said, they have to go back to their country to work for a period equivalent to the number of years during which they attended university.

Senator Molgat: These scholarships are granted at the two post-graduate levels, but not at the graduate level?

Mr. Lavoie: Scholarships are granted at the graduate level without any strings attached. The government offers to all Quebec students, university loans, scholarships, loan scholarships.

Senator Molgat: Is it sufficient to enable a student to live only on that amount?

Mr. Lavoie: Approximately. It all depends on his way of life, if he has a big car, goes out much every evening, that is different,—it is the general trend. It is quite different if the student lives on the campus or in a boarding house and so forth.

I think, regarding agricultural students, I have perhaps met two and a half years ago, a case where the student had difficulty to make ends meet. One single case. All the others managed very well, because in summer they are hired either by the provincial government or the federal government, and they get substantial salaries. I think, on the average, during the holidays, a student earns about \$2,000. Therefore, with this income and his scholarship, he manages very well.

Senator Molgat: But apart from your university, there was no other university in North America which could give university agricultural courses in French.

Mr. Lavoie: French-speaking university, no, that is to say, before 1962 there were two colleges, one in Oka associated with Montreal University and another in La Pocatière affiliated with Laval University.

Senator Molgat: Yes, but these were pre-university courses.

Mr. Lavoie: No, they were university courses.

Senator Molgat: They were university courses as well.

Mr. Lavoie: Absolutely, university courses; Laval University conferred a Bachelor's degree to the students which at the time, was a Bachelor's degree in Economic Sciences, now it is standardized; it is a degree in Applied Sciences, like the one in Forestry, in Engineering, etc.

Senator Molgat: Do these two initial colleges, in La Pocatière and in Oka, go on conferring university degrees?

Mr. Lavoie: No, these two colleges have merged and they are now on the Laval University campus. Therefore, there is now only one French-speaking agricultural college in the Province of Quebec and in the whole of America as well.

Senator Lafond: Do Oka and La Pocatière go on operating at the college level?

Mr. Lavoie: Oka has completely disappeared. La Pocatière has become an institute of agricultural technology which deals mainly with rather marginal agriculture, or the preservation of the environment which is being developed now. It is very fortunate that the training of technicians specializing in the preservation of the environment is being developed.

Senator Michaud: What was formerly called an intermediate school.

Mr. Lavoie: No, the intermediate school is a vocational school for farmers' sons.

Senator Michaud: If I may ask, how many of them are there in the Province of Quebec?

Mr. Lavoie: These intermediate schools?

Senator Michaud: How many schools?

Mr. Lavoie: Now there is only one school, in Lotbinière, Sainte-Foy de Lotbinière. Furthermore, with the advent of vocational course at the secondary school level I think this is likely to replace the former intermediate schools.

Senator Molgat: In St. Hyacinthe, there is a school of veterinary medicine?

Mr. Lavoie: Yes, more precisely a college of veterinary medicine. It is a college which, for some years, has been affiliated with Montreal University. I must point this out, Mr. Chairman, because I have read in a report that they were combining veterinary medicine with agricultural technology; it is not the case in St. Hyacinthe.

Senator Molgat: These are two entirely different schools?

Mr. Lavoie: Two separate institutions.

The Chairman: Mr. Cloutier?

Mr. Cloutier: I would like to point to you, Mr. Chairman, that in the case of a student earning \$2,000 per year and who during the academic year apparently has no financial problems such as tuition fees and so on, unless he goes out every night and drives a powerful car, and so on—I am speaking here of an average student—in the case of the student from New Brunswick who attends university in Quebec, if he can earn \$2,000 during his holidays, that is if he has \$2,000 in his pocket at the end of his vacation; I suppose that if he would earn more than that he would be at a disadvantage since he would no longer be eligible for the bursary-loan system that is in operation in our province and which gives the student the possibility of obtaining an amount in the order of, I believe it is \$1,400 this year.

The Chairman: I wonder if you care to step back closer to a mike.

Mr. Cloutier: I would like to point out that in the case of a Quebec student who, as Mr. Lavoie noted a little while ago, earns \$2,000 during his holidays, this student, generally speaking, has no financial problems during the year and manages quite well to make both ends meet. But, in the case of a New Brunswick student who goes to Quebec and who would have this opportunity to earn \$2,000, he automatically becomes non eligible under the bursary-loan system in our province through which he can obtain \$1,400. So that, insofar as we are concerned, this is not something which is directly comparable. I witnessed the establishment of the bursary system at the first cycle, bursaries involving an agreement, and this is why, basing myself on the operation I am already familiar with in the field of health sciences, I say that this would truly be the remedy to our shortage of French-speaking agronomists.

Mr. Lavoie: May I add here, Mr. Chairman, that I fully agree with Mr. Cloutier's comment. It would be simply a case, I believe, for New Brunswick to draw up a policy whereby these students would come back to work in their

own province. We would be very happy if this were to happen, because the student who comes to Quebec and who works there during all of his summer vacations, cannot be aware of the problems of his own province. Please note that what we are aiming at is a general policy. For years now, for instance, we have been requesting that French-speaking students from Africa be allowed to return to their country for at least one season during their studies in Agronomy, in order to prevent them from being out of touch when they return home. Moreover, with respect to New Brunswick students, I naturally am unable to make comparisons on a good many points. However, this is a principle that we must agree upon, namely that the student, wherever he may come from outside of Quebec, should return to work in his own province during the summer. I think that it is a very sound idea you have brought up.

The Chairman: Senator Lafond.

Senator Lafond: You do not have to answer me, unless you want to, Mr. Lavoie, but do you have an opinion on the effectiveness of the measures taken by the various Departments of Education or the Department of Agriculture at the technical and professional collegiate levels, in orienting the students towards your faculty?

Mr. Lavoie: I can comment on this subject but it is not my intention to spend too much time on it. This is not a new problem. We had requests. We started from a rather shameful pragmatism, and we received requests from technical institute students in their final year for admission. At first, we automatically refused them. Then, we thought about it and we said to ourselves: why not exchange views with the Department of Agriculture, since these institutions and their Directors are under the Department of Agriculture, and see if it would not be possible to be more flexible on both sides. We could be more flexible in our admission criteria and they could be more flexible in their programs. For instance, if a student in technology realizes at the end of a two-year period that he would like to take a university course in agronomy, he could see his programme director and take the supplementary courses needed to register at our institution. Moreover, we could admit him under certain conditions and ask him to take supplementary courses, for instance, during the summer, and so on. So there have been exchanges of views. We may some day reach full agreement on this matter. I personally think that Quebec should be flexible enough to allow students to pass from one degree to the next within a given sector, in a given discipline, a field of activity like agriculture. Perhaps this is not so on account of an administrative lack of flexibility. For instance, the Department of Education and the Department of Agriculture quarrel and mutually accuse one another because the Department of Education wishes to keep their autonomy over the technology institutes and over professional teaching generally, while agriculture is under us. In our ivory tower, we remain onlookers in this struggle. We do not say a word. We let them fight. I think there should be some action on our part and if we could bring a little help, I would personally be very happy.

[Text]

Dr. MacRae: Mr. Chairman, I want to interject a point here because I neglected to comment on it earlier, and I think it is probably germane to this kind of discussion.

The points that I want to make very briefly are really in relation to the kinds of financial arrangements that exist at the Nova Scotia Agricultural College both in terms of financing and, in fact, in terms of student scholarships and student aid.

Our degree program, the professional program, is funded by the Nova Scotia University Grants Committee, through the Department of Education. So, students who come from any province into the degree program pay, of course, the same tuition fees in the degree program plus room and board. In the technician-technology programs there is no tuition fee for students in these programs. The cost of their program is borne by their respective province: that is, New Brunswick pays for the number of students who take the technician-technology programs, and so do Nova Scotia, P.E.I. and Newfoundland.

In the case of scholarships, each of the provinces offers financial assistance in terms of scholarships to their students. In Nova Scotia there are the Province of Nova Scotia scholarships ranging from, at the present time, something like \$450 to \$600 a year, depending on entrance standing and continuation of academic standing.

The Province of New Brunswick has a similar kind of program which is, in effect, a pretty generous scholarship program for students coming into agriculture, if they have good academic standing.

As I understand it, Prince Edward Island is coming out fairly soon with a new scholarship program for their students.

I just thought it might be important to point out the kind of financial arrangements—which I neglected to do earlier—because it seemed to fit in with the present discussion.

The Chairman: Thank you, Dr. MacRae.

Senator Norrie: Mr. Chairman, there was a definite feeling in our seminar at Kent County about high school students wishing to have an opportunity of working on the farm or having an opportunity of getting a farm, but who had never had any previous experience or did not have parents who own farms.

The point is, how do we service these students? Could we not set up some sort of summer workshop for them, whereby they could apply for work on farms to make sure that they really did have an urge to and an interest in procuring a farm in later life?

It is ridiculous to think that anybody that young wants a farm, regardless. They have to have some experience in order to find out and really to know the nitty-gritty of the thing. I would like to know if there is anything that could be done in that respect.

[Translation]

Mr. Lavoie: The question might be asked of the Quebec Department of Agriculture. As for me, I think that the majority of these students do not intend to buy farms; perhaps they will become gentlemen farmers, if you wish.

They are professionals who work in a rural environment but whose job it is to animate their rural environment, so to speak. Their task is to make sciences more readily understandable but not to practice agriculture. They are, in fact, animators of their environment, and they must understand their role. We try to make them understand what their role is, the role of an agronomist in 1973. In order to train these animators of the environment, we have developed along with the Department of Agriculture, a sort of summer employment program which allows most of our students to work for a while in an agronomist office of the riding, in an agriculture extension office. While studying agronomy the student works for four months, with field agronomists, practitioners, and he thus acquires a knowledge of the environment, then he tries to become integrated as much as possible with the agricultural environment. But, once again I do not believe that, generally speaking, our students pretend to become farmers one day. I suggest that this reflects the present trend of things. If you remember, during the settlement, there were agronomist settlers. They thought that agronomists should have a farm as an example to follow, but they soon found out that such was not the case. It is a bit like asking a doctor to be sick in order to understand his patients, or a mining engineer to live in the mines, and so on. They soon realized then that the agronomist who was working on his farm could not fully meet his responsibilities as an animator. He could not manage to do both at the same time. Besides, events have proved that the agronomist who buys a farm either becomes a real farmer, or he leaves his farm to become an organizer in a science called environment animator.

[Text]

Senator McElman: I would like to put a question to both Dean Lavoie and Dr. MacRae.

In the agricultural curriculum is there any instruction given in basic forestry and woodlot management, as part of the farm unit?

[Translation]

Mr. Lavoie: At Laval University, no. We have a faculty of forestry and geodesy, which is just beside ours and provides this teaching.

However, we have programs especially in bio-agronomy where some courses relate to resources conservation, and environment protection; such as ecology, etc. And, by way of consequence, students are able to see what role the forest plays in terms of conservation, of environmental development, etc. But there are no courses in forest technology at our faculty. These, I repeat, are given at the faculty of forestry.

[Text]

Senator McElman: Then a graduate from your faculty would be out in the field without knowledge of what the farm woodlot would mean to so many of the farms in the districts he is covering?

[Translation]

Mr. Lavoie: He certainly should. He can and should do it and, through soil evaluation, for example, he will not mind

doing it. I do not think it is enough for a student in agronomy who is engaged in territory and environment planning, whether it be in forestry or agriculture, or for recreational purposes; but he should have some knowledge which enables him to do that. First of all, he should have some idea of soil ratios in terms of their adequacy for agriculture, for the forests or for recreation, etc. They learn that in their pedology courses where they get some good knowledge of the adequacy of the environment, of the adequacy of the soils for agriculture, for forests, etc.

In the ecology course, if they want to deal with vegetation, they have also the necessary elements to base their diagnosis. For example, if they see, let us say a woodlot or a forest of maple trees or pine trees, they will immediately understand that the environment is also generally favourable to agriculture. On the contrary, if they see spruces or fir trees with a very podzolised soil, they understand that there are serious limitations on agriculture.

[Text]

The Chairman: Dr. MacRae, did you have anything to add on that?

Dr. MacRae: We offer annually, at our institution, really, two vocational courses in the area of the question you have raised. One is in farm woodlot management, and the other is in Christmas tree production. I think these have been offered practically every year for the last number of years.

Senator McElman: This is not a part of the actual training for those working towards a degree?

Dr. MacRae: That is right, not towards a degree. Now, of course, as I think Dean Lavoie has indicated, there are, crossing through a number of courses that are given, the kinds of things that he has referred to; but there is not a specific course earmarked, for instance, as a farm woodlot management course in the degree program.

Senator McElman: Would it not be advantageous that agronomists who are dealing with the rural communities be able to give some intelligent advice in this regard?

Dr. MacRae: In our particular part of the country, where professional forestry education is given at the University of New Brunswick, I suspect that in many instances the forestry people feel that this is their domain, more or less. I just throw that out as a general comment.

[Translation]

Mr. Lavoie: I am sure it would be very sensible if an agronomist could give technical instructions, say, on forestry operations. Allow me to mention, on this subject, that we have at Laval University a program of land management and development, which is given at the M.A. level, at the post-graduate level. We did not find it advisable to offer this program at the graduate level, as is done, for instance, at the University of Montreal.

In this post graduate (M.A.) program, there are therefore various avenues. For example, a student who takes with us this master's program in land management will learn many things that he never saw in his agricultural course. Let us consider for instance, the total and integrated development of the land where he will be forced to learn a

little forestry, he will also specialize in social animation and acquire knowledge in geography and in economics. But he will base his land management program on one field of activity which is agriculture. Thus, he will have, on this subject, a much greater spectrum of knowledge, but this, once again, is at the M.A. level and not the B.A. level.

[Text]

Senator McElman: Mr. Chairman, just a quick supplementary.

In view of the fact that in most areas of eastern Quebec, and certainly in the provinces of New Brunswick and Nova Scotia, many farms, in order to be viable in economic terms, have to have a woodlot—at least, they are enhanced greatly by the operation of a good and continuing woodlot—and since it is the purpose of an agronomist, on behalf of government at the provincial level, to assist the farmer in maintaining a viable unit, again, I simply ask—and I am not talking about the Master's level: Would it not be most useful in the part of Canada we are talking about for agronomists to have at least some basic training which would enable them to assist the practical and practising farmer in the administration of a woodlot?

Dr. MacRae: Mr. Chairman, I might just comment again on a point I neglected to mention earlier. In our degree programs, where we provide the first two years, and students then proceed in their final two years to Macdonald College of McGill or the University of Guelph, they have the opportunity, certainly at Macdonald College, to take elective farm woodlot management courses. There is no question about this in the degree program. Any student can take it as an elective course because the curriculum in the final two years is a pretty flexible one in terms of electives, so certainly the opportunity is there in the final two years. We do not provide it in the first two years, but they can take it at Macdonald College.

Senator McElman: But you encourage them, because of the make-up of our agriculture—

Dr. MacRae: In terms of curriculum, they certainly operate on a pretty intensive counselling system when they choose the courses and the programs to go into. There is no question in my mind that if a student says he is going back to a farm where a woodlot is an important consideration, he would be advised and probably would want to take the courses. In fact, they have a fairly extensive research arboretum, an experimental woodlot, on that campus, where they do a great deal of training. The opportunity certainly is there.

Senator McElman: At both McGill and Guelph?

Dr. MacRae: I am not sure about Guelph, and perhaps my friends can help me. I am more familiar with the Macdonald situation.

The Chairman: Dean Cloutier would like to make a comment at this time, and then I shall come to Senator Michaud.

Before doing so, I should like to ask this question: Is there any place in the Maritime provinces—and here I have in mind some place that is reasonably accessible—where a student whose language is French can get voca-

tional or technical training to assist him in going back to farming?

Dean Cloutier: Not to my knowledge.

The Chairman: There is none readily available in Quebec.

[Translation]

Mr. Cloutier: With your permission, Mr. Chairman, I would like to ask two short questions. The first would be directed to Dean Lavoie and the second to Dr. MacRae, to enable me to have a general understanding of all the aspects of the program from an academic point of view, because, I am interested in the academic aspect as such, and from an angle which would enable me perhaps to make some suggestions and to do it in a more intelligent way.

So, Dean Lavoie, I will ask you whether, for admission purposes at your college, the selection committee establishes any equivalence between the courses attended by the students, or the degrees they have obtained? There is a difference between the two, because I think, for instance, of the glamour and prestige of your B.A.Sc. as compared to our new degree which is called the Health Sciences Degree.

Dean Lavoie: I will ask Mr. Chartier to answer this question.

Mr. Chartier: With your permission, Mr. Chairman, we try as much as possible to establish equivalences, when we have to admit students who come from another environment outside the province of Quebec. For a very simple reason, this is because we do not wish to frustrate these students in any way since we want to give them every possible chance of success.

As I have told Mr. Fournier before this meeting, I must say that I am not very familiar with the New Brunswick system.

I think it would be necessary, knowing that in New Brunswick, attendance in grade school takes 12 years, after which a student can be admitted into a university, and that at Laval University while in the Province of Quebec, it takes 13 years before one can apply for admission into a university. There is already there a lag of one year, and the problem is how to fill this year of training. Therefore, I think this could lead to discussions with authorities responsible for education in New Brunswick and in Quebec.

Mr. Cloutier: Thank you. But, obviously, there would be a point concerning the lag between 12 and 13 years. Regarding health sciences, we have developed a preliminary program which, as I have pointed out earlier, purports precisely at eliminating this difficulty, but in the case of health sciences, the equivalence is made between degrees and not programs. This was the object of my question as such. We have the required means to be able to solve this problem of 12 years as compared to 13 years, which was 14 years, two years ago.

Mr. Chartier: Then, I think, Mr. Chairman, the first thing which should be done would be to analyze these programs and establish the equivalences in order to enable students to study according to our curricula without any difficulties. The only aim is to give students the opportunity of

successfully pursuing their studies. Does this answer your question?

Mr. Cloutier: It does. I would simply like, as a comment, to say that, if we wish to come to suggestions, possibilities, improving situations and what not, what we have now is regarding agricultural sciences, I believe that through the Committee which already exists in New Brunswick, at the provincial level, the Committee on Health Sciences, which is financed by the New Brunswick Higher Education Board and is therefore recognized, I believe it would be the ideal Committee which could deal at the same time with the economic aspect, etc., as a supplement.

Mr. Chairman: I would like to ask Dr. MacRae a question on the scholarships he has mentioned 15 minutes ago, which amount to about \$600. Are these scholarships available to any student who is admitted to his institution, and this automatically, which means that the student who is admitted does not only become eligible to it, but he receives it?

[Text]

Dr. MacRae: Mr. Chairman, I am sorry if I gave the wrong impression here. The scholarships provided by the New Brunswick government, the government of Prince Edward Island, the government of Nova Scotia and the government of Newfoundland are, in the true sense of the word, scholarships. By that I mean entrance scholarships based on academic standing. They range from in the region of \$450 to \$600 per year—and I do not give these as precise figures. But, as I say, they depend on academic standing. For example, an entering student with a high school leaving level of over 80 per cent would be awarded a certain scholarship, probably the highest one; and then they are graded downwards, depending upon academic standing. It is, as I have said, a scholarship in the true sense of the word. Does that answer your question?

The Chairman: Perhaps I should point out at this time that it is our hope to adjourn at about 12.15, or a little later. Now Senator Michaud has been asking for the floor, and I am just wondering—and here I am, of course, in the committee's hands—if we might be able to conclude this part of our discussion fairly soon and then call upon Mr. Albert to make his presentation. That would mean that we would have heard all the presentations before lunch, and then after the luncheon adjournment we could continue with our general discussion.

[Translation]

Senator Michaud: You have mentioned before that you had 205 new registrations this year. I suppose that there are not many students from New Brunswick.

Mr. Lavoie: I think there is one, but I could not tell you from which area.

Mr. Chartier: There is one single student and his name is Euclide Rioux. I think I remember having given his address to senator Michaud, I'm sorry, but I couldn't give you the precise area where he comes from.

Senator Michaud: The only comment is that we know about the situation of New Brunswick where, for the last three or four years, there were about ten or twelve agronomists, but they are unfortunately nearing or at the age of

retiring. So you can imagine what will happen tomorrow in that respect.

Mr. Lavoie: We would be very happy to help you if we could. But you know we cannot impose on someone; we have to be invited. So maybe we could be invited to Moncton University or elsewhere and then we would be very happy to go and explain frankly what we do and what kind of training we get. We would be delighted to accept French-speaking students, mostly from New Brunswick, but also from other provinces as there are French-speaking people in Ontario and in the Western Provinces.

[Text]

The Chairman: Thank you very much, Dean Lavoie, for an excellent presentation. I am sure it will be very valuable to the committee, and we will enjoy discussing it further with you a little later.

Our final formal presentation, I believe, for this morning—unless others wish to make formal presentations, which would be welcome—is that of Mr. Albert, who is attached to the Office of the Premier of New Brunswick.

Mr. Louis-Philippe Albert, Resources Planning Coordinator, Cabinet Secretariat, Economic Policy Division, Office of the Premier, Fredericton, New Brunswick: Mr. Chairman, I hope that you will not put too much emphasis on the word "formal". I have just a few notes which I scribbled last night and during the past two or three days. I apologize to my francophone colleagues, but I was under the impression that the discussion would proceed in the English language.

The Chairman: It has been.

Mr. Albert: If you deem it apropos, with your permission I will endeavour to bring the focus of my statement on the problem raised implicitly in your terms of reference. This is in the sense that the shortage of professional or trained farmers differs between Anglophones and Francophones. We have now heard from the various institutions which provide the means of solving the problem. If we are sufficiently familiar with these institutions, we may attempt to determine a method by which to utilize those means of solving the problem.

What is the problem? I have based most of my statement on personal reflection in connection with a study carried out in 1971 of approximately 421 farmers, regarding which I reported at the Moncton hearing. I will not bore you with the results, but will inform you of some of the conclusions.

A shortage of active entrepreneurs, farm managers and technical abilities exists at the farm level in New Brunswick. This shortage is across the board, whether it be in the "very prosperous" bracket this year, the potato area, or in some relatively declining and farm-abandoning areas of the north-east, or Kent County.

I have grouped this shortage under two headings. One is the need to train farmers. Senator Michaud has referred to the aging of farmers. This has been raised as one of the major problems facing agriculture, in eastern Canada very likely, particularly in New Brunswick. If the problem in the province stopped there it would not be so bad, but there is a phenomenon of non-replacement.

Secondly, as part of the same idea of training farmers, of which we have not heard too much this morning, new opportunities are now emerging in agriculture. For those of you who have followed the economics of agriculture during the past couple of years, we are talking of a very different ball game. We are talking in New Brunswick of producing certain commodities which we just would not have heard of two years ago. We are also considering dropping certain commodities which have been traditional in New Brunswick, because others can produce them better or substitutes now exist for them. We are therefore talking of opportunities which require new skills and knowledge. These are very difficult to acquire for an aging farmer, close to retirement, locked in and who has lost some of the courage to invest in himself by training. To illustrate this point, in 1971 we found that 78.7 per cent of the farmers surveyed at random insisted that they did not need training in agriculture. That is a monumental motivation problem, if I ever heard one. It is one thing to offer training, but to ensure that those needing it take advantage of it is another story.

Consumers are now demanding that we certify or accredit farmers, which brings to mind instances of the use of pesticides on strawberries. These pesticides are measured by the ounce and the farmer measures on the five-pound scale, so I hesitate to eat those berries. I do not wish to push that too far. It is just that the consumers are now asking for more certification. I am probably referring to the exception, but it is the exception that ruins it.

The second area of interest is the entire advisory service and the professional aspect of agriculture. Maybe I am using the French term professional, referring to Bachelors, Masters and others in such categories. The problem is to provide advisory services, again fussing on the farm. That is why I state it this way, advisory services which would be attuned to the sub-provincial or sub-regional differences, whichever phrase should be used in respect of Canada. By this I mean that we have seen in New Brunswick, in particular, no shortage of professional staff in the Saint John River valley. At least 10 men with university degrees in agriculture are now in farming in New Brunswick.

Senator Michaud: Are they in farming?

Mr. Albert: They are in farming and have left government jobs.

Senator Michaud: There are 10 of those?

Mr. Albert: Yes, approximately 10. I know quite a few of them and thought they were crazy, but they seem to be doing quite well. However, the quality of the services in the Saint John valley, which is predominantly English-speaking, has not been reduced. There seem to be plenty of good men coming on the line, whether employed by industry or by governments. The shortage is felt in terms of professional staff in the francophone areas. There the focus, therefore, would be on training and placement of professional agrolologists, particularly francophones, in which area the shortage is more critical. The reason for this, in my opinion, is that the reduction of agricultural activity in the francophone areas does not make the option of agriculture very attractive to young people at all levels, whether they wish to enter university or farming. That is the effect in this area.

Attitudes are now changing somewhat, but it is a very recent phenomena.

Secondly, it so happens that most Francophones in New Brunswick, the ones who have gone through university, end up being bilingual. Believe it or not, that is part of the problem. Then the competition for the Government of New Brunswick becomes the federal government, industry, Ontario, Quebec, Manitoba. They can afford pretty good salaries compared to what New Brunswick is willing to offer. That is where the competition lies.

Of my confrères, those in my class, three were from New Brunswick; one is in Ottawa, another is in industry, and I am the only one in New Brunswick. It was the same story the year before and the year after. In a sense, this may suggest greater participation on the part of the federal government in the training of these young people who end up being bilingual.

The other option is to put a lot of francophone people through training in professional agriculture by some kind of scheme. The turnover in the New Brunswick situation is very high. We send very few to agricultural college, and of those whom we send to college from francophone areas, very few end up in francophone areas. Another alternative is to make English-speaking students bilingual through some exchange that Mr. Lavoie has referred to, possibly between Truro, Guelph and Macdonald, so that those who are now available to only 50 or 60 per cent of English-speaking farmers in New Brunswick will be available to the entire province, Francophones as well as Anglophones.

I do not think it is a matter of being born in a French area to be able to serve French areas: it is a matter of being able to communicate, empathize, recognize, and deliver services that would take account of the sub-provincial differences.

The training of technicians is somewhat in the same bag. There may be work to be done here in recognizing the role of technicians, of finding a good place for them, salary-wise and responsibility-wise, so that they can become part of the system. We have not been giving good treatment to technologists. I think they could play a useful role in the advisory service and the delivery of government service in farm planning, and so on, acting under the co-ordination of a professional.

I think we are talking of the need for an integrated-program approach at all levels and of using all the means at our disposal. It is a matter of finding the method, of finding new methods, including the creation of new means, if we have to, to get at the problem.

If I could summarize the problem, it is in the area of training farmers and advisory service people, be they professional or technicians. I referred to training and placement of professional agrolologists. I do not think this is peculiar to New Brunswick. When young people consider agriculture as a profession, and going to university, they have high aspirations, including the possibility of one day becoming deputy minister.

We have yet to see, in the New Brunswick context, responsible positions within the Department of Agriculture—I mean responsible and not just open positions—held by Francophones or bilingual people. If you take it from the minister down, to the deputy, to the assistant

deputy, to my knowledge most of them have bilingual secretaries, and that is the extent of it.

So again, in terms of aspirations, we should do more than promote the profession of agrology in New Brunswick. We should come up with attractive options so that young people can aspire to high levels of decision making and responsibility within government. I do not think that my comments apply to the federal government. The federal government is showing the way in this area.

The Chairman: Thank you, Mr. Albert.

I neglected to list, among those who are here this morning, Mr. Albert Chambers, who is assisting the committee. Mr. Chambers would prefer to comment this afternoon. Speaking for myself, I would say, from the facts as presented, that it is a deplorable situation. I think Mr. Albert has every right to make a strong presentation on behalf of French-speaking Canadians in his part of the country, with particular reference to the opportunities they should have and which they do not now have. This is the kind of thing that our committee should be looking at very carefully, as I am sure it will.

Senator Molgat: I was most interested in Mr. Albert's comments. They reflect a very serious language problem in New Brunswick. If the present system continues, the situation can only worsen. I should like to comment further this afternoon, and also ask questions.

I regret that I was unable to make the journey to Moncton. However, I heard Senators Michaud and McElman speak about it. As an outsider, I was not aware that the problem was so serious and that the division in New Brunswick was so evident. I would not want to say that the responsibility lies entirely with the provincial government but, surely, the first steps should be taken by the provincial government to correct some of this imbalance? Have they a policy on this matter that was brought up by Dean Cloutier, with regard to bursaries, or loans that are forgivable, or a specific program to make use of facilities, about which we heard this morning, to place people in positions? Is there nothing at all in the system?

Mr. Albert: To my knowledge, there is nothing, as yet, that is very attractive, anyway. There are many reasons, I suppose, for that. If I may reinforce what Senator Michaud has said, in the past four years something like ten out of 16 bilingual agronomists have retired. Of course, we should not stop the analysis there and simply say, "Well, it's a matter of replacing those ten." We are talking here of ten people who were close to retirement and who have been operating over the past ten years. During those ten years there has been no new blood added; no new ideas. With all due respect to those close to retirement, we are talking here of a new agriculture. These people received their training in the twenties and thirties.

The other aspect is that it would have to be made fairly attractive in terms of bursaries and programs to attract young people, because in terms of their aspirations it is going to take a good deal of time. So, to go to a "foreign country", Quebec—and I do not want to sound like a separatist here; I am simply saying that I went to Quebec for my training, and in a somewhat different way to what Mr. Cloutier was saying I took my wife with me and she was transplanted. Mr. Cloutier was talking about a fellow

coming to New Brunswick and picking a wife and her holding him there. There is no doubt that I had to adapt when I returned to New Brunswick, because when we talk about the province of Quebec we have to talk in terms of a large province with very diversified agriculture and a means beyond our reach in the Maritimes in terms of personnel, resources, research and institutions. In the Maritimes, Truro has adapted to the situation. However, it has English language instruction. There may be a compromise to be made here in some way with some programs offered in the New Brunswick or Maritime context that would enable young Francophones from New Brunswick to integrate into a situation of learning agriculture in their own language or with some adaptation.

I was quite surprised to hear Dr. MacRae talk about 11 new students in the first year at Truro this year. The fact that there are 11 out of 16 Francophones in the first year is a new phenomenon. Quite a few of these young people are probably attending Truro to learn English. We should not destroy that opportunity. However, perhaps some shy away from going to francophone institutions because they are far away, not only physically but in terms of size and context. Quebec, for example, is a very different context from the Maritimes.

I should like to see a good many New Brunswickers go to Quebec on a Master's program or for some special training for which the facilities required could not be duplicated in the French language.

The Chairman: Thank you very much, Mr. Albert. I am now in the committee's hands. My suggestion would be that we adjourn now until 2 o'clock.

I might say that arrangements have been made for our guests to have lunch in the Parliamentary Restaurant.

Senator McElman: Just before we break, Mr. Chairman, and while Mr. Albert is still our witness, I should like to make the comment that he has not overemphasized the situation. I make that remark as a New Brunswicker, as one who has been involved in government and one who knows the structure of the system in New Brunswick. If he has erred at all, it is not in being extreme, but at the other end. He has been very careful in laying out the situation for the committee.

The Chairman: On that point, we will stand adjourned until 2 o'clock.

The committee adjourned.

Upon resuming at 2 p.m.

The Chairman: Honourable senators, I am in your hands as to how precisely we handle the afternoon session. Some of our visitors will have to leave at 4.30, or perhaps even a few minutes before. I believe the Truro people have a film they would like to show.

Dr. MacRae: Mr. Chairman, I might briefly explain that we brought along some slides. My colleagues insisted on doing this, because they thought it would be better for you to see on site the kind of facilities and campus we have, for those who have never seen it. My colleagues know I have a tendency to be long-winded, and they therefore thought this would be a more palatable way of dealing

with it than for me to describe it. It is not in any way a commercial.

The Chairman: How long will it take?

Dr. MacRae: There are 14 slides. It will take about 10 or 12 minutes. It is strictly up to you, Mr. Chairman, and the committee.

The Chairman: I am in the hands of the committee.

Senator Inman: I think the slides will be interesting.

Senator Michaud: Perhaps we should see them right away.

The Chairman: Before we do that, I should like to say that we have with us Mr. Christie, from the Library of Parliament, who is an agricultural economist, and he will help our committee as much as he is able to. He tells me that he has a crash program on energy that he has been directed to work on, so I do not know whether we are competing with the Prime Minister or someone else for his services. Anyway, we welcome him.

Do we want the films first, or do we want to continue with Mr. Albert for a little while and then go to the films?

Senator Michaud: Let us finish with Mr. Albert.

The Chairman: We will continue with Mr. Albert first, and we will not take too long. He can get in on the general discussion afterwards. After that we will go to the films. I think that Mr. Albert made an excellent presentation before lunch and that he made some points that are well worth considering. What are your comments?

Senator Norrie: Is this meeting *in camera*?

The Chairman: No.

Senator Norrie: Does that concern Mr. Albert?

Mr. Albert: Would you explain what you mean by "*in camera*"?

The Chairman: Without the press. This is an open meeting, and I believe the press are here. I am always glad to welcome the press.

Mr. Albert: I hope I have a friend in the press.

Senator Norrie: Let's hope so.

The Chairman: Mr. Albert is a civil servant and wishes to be as helpful as he can to the committee. He also feels that he needs to be somewhat cautious, so he probably has to walk a bit of a tightrope.

Senator McElman: Low profile.

The Chairman: Low profile. He can give us his ideas without perhaps upsetting anybody who is not in this room. What are your questions or comments, honourable senators?

Senator Michaud: Perhaps Mr. Albert would comment a little further, if he wishes, on the compromise, about which he talked this morning, between the School of Agriculture in Laval and the one in Truro, regarding the language barrier involved there.

Mr. Albert: I brought it up mainly as a suggestion for consideration of the institutions involved. The basic point is that it is obvious that the training opportunities for the development of professional agrologists is not very attractive at the present time to francophone New Brunswickers. The question is whether we improve the existing one or make it more attractive with bursaries and all kinds of mechanisms. Another way, which is the one I prefer, would be to have the first two years Bachelors in agriculture at, say, Moncton University, in which science is, to my knowledge, the main element in the first two years; it does not require monumental equipment and infrastructure in agriculture to provide these kinds of training opportunities. Then the students could go to Laval and know enough about the New Brunswick situation to make the necessary transition.

I referred earlier to my own case when I went to Laval. I think there were two students from New Brunswick in my class at Laval; there were some others at Macdonald. Most of the examples given and the input in terms of government services were applicable almost exclusively to the Quebec situation. An example of this is the provincial farm credit system in Quebec, which is substantially different from the one we have in New Brunswick. I went there not knowing too much about the farm credit system in New Brunswick and learned all about the one in Quebec. In going back to New Brunswick I was in for a shock, in the sense that I was talking of some policies and government assistance to farmers and saying, "I don't know if it's the same in New Brunswick." The odd farmer would say: "We have no group insurance and no assistance available on credit for land acquisition, or for loans, or a farm adjustment board system." I am merely putting this as an example.

This is not by any means an insurmountable problem. Possibly one way of getting over this hurdle would be to have a local institution dispense the training for the first couple of years, so that students would be aware of the New Brunswick situation and could then go to Quebec or to Nova Scotia—particularly to Quebec if they want it purely through French—and be able to translate the courses to the New Brunswick situation.

This would call for some arrangement; and I understand from Mr. Cloutier that the mechanisms are all available at the University of Moncton to do that. And secondly, relations between the University of Moncton and the University of Laval, to my knowledge, are at the very best.

One other thing for the New Brunswick situation is to have a team of academicians in New Brunswick, agricultural academics, some thinkers, who go beyond policy, who go beyond the current situation, who can think through problems, down from the farm to the market, and who can carry on studies on it as universities can, as Truro does right now. They are heavily financed, or seem to be, by the Nova Scotia government. From talking with some of my colleagues in Nova Scotia, I understand they could not do without that institution, that group of academicians in agriculture at Truro. We do not have it in New Brunswick.

That is a bit out of focus here, but it is still part of the problem. Is that answer satisfactory?

[Translation]

Senator Michaud: Mr. Albert, I wish to support entirely your last comments about the University of Moncton's academics who could, as you have suggested, conduct studies on the economic aspect of the agricultural industry in our region.

I have often deplored the same fact you have lamented over just now. It seems to me that, in order to improve the quality of the environment in which agriculture must play a primary part, it would certainly be very beneficial for the people living in those areas, to have these studies in economics dealing basically with agriculture, and based on regional conditions, conducted at the University of Moncton.

Mr. Albert: I think it would also enable the university to sensitize to agriculture the rural regions in which agriculture prevails. It would also enable the agricultural sector to draw from the various sources of information and skills which exist in our university in the area of sociology, geography, engineering, etc., which are related to agricultural development. It would be possible, if it were done by a group of teachers, of agronomists, recruited among the staff of the University of Moncton, which is doing this liaison and co-ordination work, in order to draw from these various sources.

Senator Michaud: I also agree with you entirely on this point, Mr. Albert.

[Text]

Senator McGrand: You have referred to agriculture in Quebec and pointed out the difference between the Quebec and New Brunswick policies. I would like to know in what way the prosperity of agriculture in certain parts of Quebec is different from that of New Brunswick.

Compared to the good land that extends from the American border, the Ontario border, on to Sherbrooke and some few miles farther than that it is much different from thereon, starting with Kamouraska and on down the Gaspé Peninsula.

As far as I can make out, I see very little difference between the prosperity of that portion of Quebec and the position in New Brunswick. Would you just say a few words on that?

Mr. Albert: I am in accord with you on the economic realities of agriculture in the Kamouraska and lower Quebec regions; they are essentially the same. The variables—the marketing situation, the production constraints like climate and soils—are similar or are reconcilable. But where the big difference comes in is in the kind of policy dynamics or bureaucracy dynamics.

If I may explain, in the lower St. Lawrence area, the Government of Quebec, through some assistance under the FED agreement, have come up with some very attractive, what they call policies, for dairy farmers to produce manufactured milk.

To my knowledge, this is exclusive to the boundary; it stops at the boundary. There is definitely some assistance that has been given to the industry, to the dairies in the area, to consolidate and so on.

In New Brunswick there is no such assistance available to the farmers or incentives to increase their manufactured milk production. I am just giving a bottom-of-the-line example. What about the organization of the services such as we have in Quebec, the lower region, as it is called, the administrative region? It has a certain amount of autonomy at the level of programming. Of course, they are all accountable to the same politicians: we have a minister; they have a minister. But in terms of administrative purposes—and Mr. Chartier or anyone else can correct me on that—there is an administrative region which has some autonomy on the formulation and the delivery of programs. The New Brunswick services and administrative organization are not organized like that. This is all centrally located in Fredericton, and we are still at the county agent or district agriculturist kind of programming. It is a different jurisdiction, and that is the main difference.

I agree with you that the economic realities are essentially the same; but the policies and jurisdiction modify the situation to the extent that you have to make a real effort to translate this to the New Brunswick situation. Maybe I am over-emphasizing this.

Senator McGrand: Just take one county in Gaspé, take Bonaventure County as opposed to the New Brunswick border. Are the economic conditions in Bonaventure County any better than they are in Restigouche County in New Brunswick, right across the border?

Mr. Albert: I would suggest that because of government interventions—I mean positive ones for the farmers—the conditions are better. But it is a basic privilege of the Province of Quebec to do that, and it is also a privilege of the Province of New Brunswick not to do it; it is a different jurisdiction.

Senator McGrand: In Bonaventure County things are picking up better than they are in Restigouche, would you say?

Mr. Albert: Yes, I would say so.

Senator McGrand: That is all.

Mr. Albert: Of course, it is always greener on the other side of the fence.

[Translation]

Mr. Lavoie: Mr. Chairman, first I would like to ask a question and then make a comment. Here is my question: do students who have studied two years in Truro and who go to Guelph have special programmes which would enable them to understand the characteristics of New Brunswick? And the same question applies when they are studying in Guelph.

My comment is on the fact that we could give courses on the situation in the Maritimes, namely at the economic, social and biophysical level, but provided we have a sufficient number of students. If we have only one or two students, we certainly will not develop special programmes.

My second comment is that a two-year programme at the University of Moncton offers many advantages. Furthermore, one thing should be taken into account, that is if you wish to relate these two years to the other two final years of studies at Laval University, the programme and

the courses should be the same. Now, it is obvious that at Laval University during the first and the second year the basic sciences are taught, and Quebec students themselves are not yet acquainted with Quebec's agricultural environment. Therefore, if you insist on giving courses to acquaint students with the environment, courses on the economic or the sociological aspects of the Maritimes and on human behaviour, which is also very important, along with courses in biophysics, the physical environment, then, you will be compelled to drop from the curriculum, either physics, chemistry, biochemistry, or organic chemistry and when the students enroll at Laval University and wish to attend courses in physiology or other similar courses, they may find that they lack the prerequisites.

Mr. Albert: Mr. Chairman, I think this suggestion is being taken into consideration because they are putting it to the test.

I agree. I think that when a student leaves school and goes to Guelph, I do not think there are many specific programmes for students coming from the Maritimes, except in some cases, the tutorials, when the student is specializing in a subject. There is no doubt, this could be done at Laval University as well, considering the large number of students. I agree with you. I hope this is not taken as a criticism of the existing system. What I am trying to point out here is that apparently it does not give the desired results, namely a sufficient number of students. Therefore, maybe I am talking at random, but I am still trying to find the means which will enable us to improve the situation. I think the idea that, during these two years, the University of Moncton should acquaint the students with the economic aspects or the environment of the province, means that the student will have to drop some courses in sciences. It is possible. But, I think it is up to the institutions to solve this problem. I would not like to establish a curriculum blueprint, because I have no authority in that area, but the purpose of my statements is to point out these aspects of the problem. I am sorry my ability stops there.

Le président: Monsieur le doyen Cloutier.

Mr. Cloutier: Mr. Chairman, being quoted out of context, I do not want anybody to be mistaken about this question and, least of all, cause any misunderstanding, but the programme we have now at the University of Moncton—which is the only one, I think, the University is considering for the time being—is a preparatory programme. It does not correspond to the first two years of the agronomy course, that is one of the six programmes which one chooses at the faculty at Laval University. This programme comprises the two years which correspond to the two years the student spends in Quebec's community colleges and which confer to the Quebec student the Junior College Diploma and in our province it will be the Health Sciences Diploma. Therefore, it is not the first two years of a course in agronomy or in any other subject, but the two years at the community college level, therefore at the junior college level which we are offering, and which we wish to go on offering for the time being.

Le président: Mr. Chartier.

Mr. Chartier: Mr. Chairman, I think the philosophy behind a university course ought to be reconsidered to a certain extent. Because, as Dean Lavoie said this morning,

the main object of a university course is to train the student so that, once he has completed his studies, he has sufficient flexibility to apply his knowledge to the environment in which he is working. I think that our main object is to impart to the student a sufficiently broad knowledge, by means of examples necessarily drawn from the environment in order to enable the student to acquire a sufficient number of notions to be able to use his knowledge in his own environment. It is actually what is called training.

A while ago, Mr. Albert mentioned the problem of farm credit. If he had not studied the system prevailing in the Province of Quebec, would he have been able to make comparisons so quickly when he began to practice his profession in New Brunswick? Thus, one must distinguish, if you wish, between knowledge acquired from a course and practical knowledge acquired while practicing agriculture. Then, I think one benefits all the time from acquiring various notions, even if one applies them later.

Le président: Avez-vous d'autres remarques à formuler à ce stade?

Senator Fournier (Madawaska-Gloucester): I greatly appreciated the comments made this afternoon regarding the problem at the university level. I wonder whether there is not a lack of co-ordination somewhere within one of the provinces concerned. This morning it was mentioned that institutes such as St Anne de la Pocatière and Laval were not affiliated with the university. They are somewhat independent, if you wish. They come under other Departments, the Department of Agriculture, and the others.

However, when one moves from one province to the other, as you have just mentioned, there still are problems, regional problems. I would go further by saying that, even when it is a federal policy which affects the whole of Canada, a national policy, this applies as well. I will give you as an example the small farm loans. I think that in New Brunswick they do not really meet the problem. When this Spring we visited Kent County, we noticed that in one or two parishes where there were 125 farmers, only four or five were left and all those farms had been abandoned. Now, to benefit from the small farms programme, two farmers must make the loans, then one can buy the other's farm and expand the operation. But in the present case, we have established that this policy will not help because the farmers have already left their farms.

Therefore, an amendment or something should be suggested to adapt the programme to the Maritimes and perhaps, to that part of the Province of Quebec, I do not know. What I wonder in general, is whether, at the university level, comprehensive studies have been conducted which might correct the situation in which we find ourselves so far as the abandonment of farms by farmers is concerned. I understand they can be taken over by other farmers or by means of intensive farming, but, one notices that, in New Brunswick, other farmers do not take over those lands. They are abandoned completely. I will venture to say as well, that agricultural production is most likely diminishing in some sectors, in spite of the low production of all farm products in New Brunswick, except perhaps the potato crop.

Now, does it mean that it completely affects all the economic questions. I think that since a year or two more applications, perhaps from young people who wish to

return to farming, have been received, but the problem is to find the system which will enable them to do it, in order to find a concrete solution.

Now, the universities train specialists. They are necessary, research must be conducted, it is very necessary. If we only have a group of specialized technicians, and that subsequently we have no farmers who can benefit from the studies conducted, it would be like an army made up of a handful of officers and which has no soldiers.

Therefore, in New Brunswick, one notices that the situation is deteriorating from one year to the next. And I would venture to say in the Maritimes as well and even in the Province of Quebec. I do not know whether there is a deterioration regarding farm abandonment, but, according to the figures given lately, and which are revealing, for the last two years, if the figures are correct, between six or seven thousand farmers have left their farms.

Therefore, I wonder whether a study should be conducted or some crash programme, by the universities and the governments, in order to find a solution to the province. Our committee is really interested in seeing that the arable land is not abandoned but is reserved for agriculture instead of being taken over by industry and by all sorts of other means. I think the substance of my comments applies to the practical aspect of the question and I would like it to be studied.

[Text]

The Chairman: Are there any further comments at this time?

Mr. Chambers: When we were in Moncton, the committee was told that agronomes were being replaced by technicians, and that was partially discussed this morning. I do not quite know who to direct this at, whether Mr. Albert or the university people who we have with us, but for the record, and for our research, how are they qualified? What is the difference in quality between the agricultural technician and the trained agronomer, and what kind of people are sort of being—I do not want to use the word “unleashed” but it is the one that comes to mind—on the farmers in Kent County? Are they really getting an inferior kind of service, or is it just a matter of deterioration, or what is the real difference in quality?

Mr. Hamilton: I do not know why people are looking at me—

The Chairman: Just take the microphone, Mr. Hamilton.

Mr. Hamilton: Mr. Chairman, I think this question is one that probably has to be answered by reference to how the provincial departments of agriculture, and so on, are making use of our graduates. I think, from the standpoint of the institutions, we can simply say that a technician is trained, usually, in a narrower field. He does not have the same kind of background, particularly in the sciences, and does not go in depth into the sciences in the same way as is the case with the degree students. Therefore, I think, from the standpoint of the institutions it is a trend to be turning out people here who are what we call “action oriented”. They are probably even more ready than a degree student to go and be useful in the immediate field, though they have not got, perhaps, quite as far to go in terms of an individual—that is, they perhaps do not have quite the

potential. Perhaps that is dangerous to say, because it depends a lot on how the organization they are working for looks on these people in terms of their pay scales and so on. But there is a place for both, we feel.

I would be surprised if the Department of Agriculture would say they were not hiring any professional agriculturalists—that is, the degree people—in agriculture, but are hiring all technicians.

Mr. Chambers: It was a matter of supply, not hiring.

Mr. Hamilton: I think it is the tendency and we are making greater use of technicians, working for the most part perhaps, under the more professionally trained degree people; and this is something that is being done quite prevalently. There are certainly some areas where it is most inefficient to use all degree people, for example; whereas a degree person can be in charge of a program and have several technicians under him, and make much greater and better use of his time.

The Chairman: Shall we see the film now?

Senator Michaud: Yes.

The Chairman: I do not know where we go after the film, but we will find out.

Mr. Hamilton: I would like to reiterate, very briefly, that I hope no one will interpret our few slides here as being a hard sell of any kind. I have just recently joined the organization again, and one of the reasons I have joined it again, after having spent a good deal of time with it earlier in my life, is because of the flexibility and because of the fact that we are looking all the time for suggestions, and, hopefully, ways and means, in the Maritimes, in the field of agriculture, and we are very agriculturally oriented.

(Whereupon colour slides were projected)

This is just a not very good shot from the air of our general buildings; but if we move to the next slide, here, we will get an idea of the physical set-up that we use. We have the usual make-up of campus—quite a number of large brick buildings, and tied right in closely with it is a fairly extensive, and, I think without doubt, good farm operation of which we make a great deal of use.

Here we have another one that moves in a little closer. We are located just in Truro, in the Salmon River area, and we see here a number of both the main brick buildings and the farm buildings.

The order in which these are being presented is perhaps not the best, but this is one of our ambitious students. The main idea is to show that we have an excellent library associated with the institute.

Senator Michaud: Somebody just said, “A future senator?”

The Chairman: In how many years?

Mr. Hamilton: Here we have the residence complex. Dr. MacRae was referring to the fact that we have sufficient room here to handle a total of 500 students, and they are pretty well all in residence.

That is just a closer-up view of one of the red buildings.

I think some of the discussion here has centred around what is practical and what is not practical, or what is

applied in training and what is not applied in training. We have excellent chemistry laboratory facilities, because even our technically trained people, who are going to prepare to farm, learn how a soil sample is analyzed, for example. And in the degree course they are going more extensively into inorganic and organic chemistry as a background for the more applied side of the area, which will come later in their degree course. But these facilities are used by our technical training people, as well as in the degree course, because we feel that even in technician training there are areas in chemistry that they need to cover, pertaining to soils and so on.

Chemistry and biology, of course, are more the basis of agriculture than anything else, and we have to spend, we feel, with either the technician people moving in the technician area or those in the degree area, a fairly large amount of time on those basic subjects.

This shows part of our farm complex, and the animal science part of our faculty is right with the farm area buildings on the right in the background. The other buildings are supplying poultry, and the beef and dairy operations, which you cannot see, though you can see parts and pieces.

This is right on the campus, really. We have a total of about 350 acres.

Dr. MacRae: It is just within walking distance of the other buildings.

Mr. Hamilton: This is the beef cattle facility, and these are very heavily used for our vocational courses. The short course type of thing is open to farm people and anyone who wishes to come in. I believe we passed the vocational calendar around to you, and there are quite a number of courses available.

This is part of our poultry unit. I might say that we are involved to some extent in research which provides interest as a teaching tool and also is of interest to our students.

This is a picture of our swine unit facilities. It is not a very good picture and it just shows a lot of steel.

We were talking about the wood work end of forestry earlier, and we provide vocational courses in wood harvesting, and while this type of operation is not carried on on property belonging to the college, the courses are organized and the staff is supplied by the college.

This picture refers to agricultural engineering. Having been away from N.S.A.C. for a number of years, I found the facilities coming in were quite something, and I was greatly surprised at the excellent farm machinery laboratories and the courses themselves in this area.

If I may say so, Mr. Chairman, as registrar and the person who is supposed to review where the students come from and where they go to, and having regard to the discussions here this afternoon which have centred around the applied side of agriculture and farming, it seems to me that one of the main problems we are associated with here is that concerning the objective of the young people. It is not the same as what we are looking at, and I thought we might have a difficult time solving the problem. We have, for example, many students and graduates on farms in such areas as the Annapolis Valley, and we have many graduates in northern Maine in potato

farming. It is very easy to see that the graduate is going to go where he feels he has a viable farm operation.

Looking at it from the point of view of a registrar, I think it is difficult to see how any student coming through an institution dealing with agriculture would be likely to take up a marginal farm. There may be a few dedicated enough to do so, but most of them are not going to become involved in a risky operation. It has to be something that looks as if it will be a viable unit, or that it at least has potential.

Secondly, there has to be money provided, because I think this is the problem that is holding most young people out of agriculture. Unless they have a "rich uncle"—and this could be government, or their father or somebody else like that—it is almost impossible today, without a great deal of capital, to get yourself involved successfully in a viable unit. This is what many young people are frightened about when they finish and want to go into farming.

Therefore, I think that first of all we have to decide whether a particular farm is or is not viable. Secondly, the student has to have some money to get him started on the farm. And, thirdly, he has to have the training to be able to deal with it.

I realize it is not all that simple, because cultural factors do enter into the picture here. I know we are concerned about that. As I have mentioned, there are quite a number of French-speaking students at Nova Scotia Agricultural College, but obviously there are not enough. We do not have enough going to Quebec and taking courses there. I think there is only one answer, and that is to get more of them, because the demand for bilingual students is about twice as great as that which exists for unilingual students. So, there is greater competition for them and we have to have many more of them. That is where the problem lies. From the standpoint of the Nova Scotia Agricultural College, we have discussed this subject quite a lot and we realize we have to set to doing something to resolve the problem.

The Chairman: Before I call on Senator Inman and before we get into the bilingual nature of the subject, I should like to ask a question. Would you say, Mr. Hamilton, that there are large areas of the Maritimes or large areas of New Brunswick that have what might be considered now as marginal land, or land that has gone into forestry or is about to go into forestry which, with the input of a great deal of money, could in the future be regained for agriculture? In other words, do you see, as a real possibility, that there can be more land cultivated in the Maritimes than is now the case, and that viable farms can be put together with money available from "rich uncles" or governments? In other words, is there a possibility of expanding agriculture, intensifying agriculture and having more people in agriculture?

Mr. Hamilton: Yes, I believe there is. I would hate to try to pretend that I am an expert, and I believe that the man who is sitting beside you, Mr. Chairman, is much better able to answer from that point of view than I am. However, I do know the area to some extent because I originated from Westmorland County, New Brunswick, and so, as I have said, I have some knowledge of the area. But I would say, yes, there is a possibility in some areas. But under our present measurement of visibility—and that is, creating a standard of living that is somewhat similar to

what we expect in other areas of our society—in some other areas the possibility does not exist. Some land is capable of being regained and some is not, and I would not want to be very specific about the amounts of each.

The Chairman: I realize that we could have our entire discussion on the educational field. In fact, we have been doing that. But it seems to me—and my fellow senators can disagree with me if they think I am wrong—that we might ask the people here who are experts in the agricultural field, mainly in the educational field I admit, but still in that general field, whether or not, having regard to the broad terms of reference which this committee has, they feel that we are going in the right general direction and whether the possibility exists of accomplishing these things. Of course, the educational factor comes in as one of the ingredients necessary to accomplish this.

Senator Inman: I note, from looking over this calendar of the college, that there are quite a number of female students. What branch of agriculture are they most interested in?

Dr. MacRae: Perhaps my friend Mr. Shuh might like to deal with this. I am not suggesting that he has more to do with the female students than anybody else, but he might be in a better position to tell us of the wishes and desires of our female students than I am.

Senator Inman: I notice that quite a number come from my own province, and many of them do not come from farms.

Mr. Shuh: This is quite true. We teach agriculture in its broadest sense, not just teaching people to return to the farm but also how to use the products the farmer uses and to deal with the products after they leave the farm. About half of the female students are in the degree program and about half in the technician program. Quite a number of the female students enter because they have a very great interest in livestock and animals, as such, and wish to take a course that gives them some background training in animal care and so forth.

The two programs that we have in the technology area, the biology lab technologists and the chemistry lab technologists, are particularly attractive for young ladies. While we do not attempt to compete with the so-called hospital lab technologists, we have a program which is an excellent means of preparing students to work in either biology or chemistry labs at research institutions, universities and various institutes such as experimental farms. The young ladies who enter the degree program go into almost any phase of it: they might be interested in biology, or chemistry, or economics; some graduate in plant science, some in animal science. There is no particular program which constitutes the field for young ladies at the present time; they are in every program.

Senator Inman: I would like to make a further comment about a situation in my own province which worries me. It is in connection with the great amounts of good land which are turned into trailer parks. I wonder if others feel the same way with respect to their provinces.

As you all know, Prince Edward Island is a very productive province agriculturally. It seems too bad that we see a really good potato field or some other crop one year, and the next year the land has become a trailer park. Is that

something we must take policy action in and attempt to overcome somehow? It seems that soon Prince Edward Island will be nothing but trailer parks.

Mr. Shuh: It is a question of how much money a man can make from the land.

Senator Inman: I suppose that is so, but it seems too bad.

Senator McGrand: My question is not really related, but I feel I should get it off my mind. Successful agriculture must make full use of available resources. Much money has been spent in the past on marshland reclamation in Nova Scotia, particularly in Kings County near Truro. Is that reclaimed marshland fully utilized in dairy and beef production?

Mr. Shuh: Yes, I can answer that question. I would say that certainly the Kings County marshland is being fully utilized, as is that in Colchester County. These are two of the best examples in which money was expended to protect land, and good use is being made of that land at the present time.

Senator McGrand: We are getting our money back out of it?

Mr. Shuh: Oh, yes. I might add a comment with respect to the previous question relating to the use of the land which has been abandoned and some which has been abandoned and is now being brought back into production. Some of this is only by way of examples with which I am most familiar and is not land in Kent County. At the same time, however, it is land along the Northumberland Strait in Nova Scotia. In one situation an individual came from western Canada, bought a lot of land which certainly would fall in either class 3 or class 4 and has started to develop by growing corn. I was on the farm this fall. He bought 300 steers at the feeder sale in Truro, where he was the biggest buyer. This year he has a big horizontal silo containing 1,000 tons of corn silage, besides a stack silo behind the barn containing at least 500 tons, making at least 1,500 tons of corn silage. This is grown on land which up until four or five years ago was growing in alder bushes in similar conditions to those to which you refer. This indicates that such development is possible. It depends on the individual and his initiative in developing such a program.

The Chairman: Would you know his name and address?

Mr. Shuh: Oh, yes.

The Chairman: Will you put it in the record please?

Mr. Shuh: It is Rodney James, at Malagash Station.

Senator Norrie: You took the words out of my mouth; I was about to ask that very question and answer it. In Kent County all the land is grade 3 or grade 4, is it not?

Mr. Shuh: The bulk of it is.

Mr. Albert: I would like to speak further to the statement made by Mr. Hamilton with regard to marginality. In line with some of the comments made here, in my opinion we are seeing a relatively new agriculture and need new or rejuvenated farm operators. We see farmers expanding their herds at the rate of 300 in one day. It is a family farm in some cases. It may not be the case there, but here is a family farm expanding its herd by 300 head, which was

unheard of 50 years ago. In attempting to recreate what was in existence 50 years ago, I think we will have trouble with recruiting. Relatively, we are in a very different agricultural economic situation. We are talking of new farm operators and new rural communities. Also, as has been pointed out, there is new competition for land, capital, labour—brand new competition that we are not used to resisting. We now have farmers who enter farming by choice, not just because their fathers were farmers. They decide to be farmers, prepare for it and acquire the necessary resources, control, capital clout, however you wish to term it, and cultivate liaison with the banker, just as manufacturing concerns do.

This, however, does not mean that some of the values referred to by Senator Michaud—such as the family base as a unit, the rural community—and some of those values which are inherent in the rural community and should be preserved, will go by the board. No, in my opinion it is very possible and, indeed probable that this is the foundation, but we must admit that we are talking of a new agriculture.

The Chairman: The man referred to by Mr. Shuh may well be an individual operator on a family farm. I do not know, but he may have a lot of hired help. He may be well mechanized, so that it is pretty much a one-family operation with one or two men.

Mr. Shuh: I would say it is a family farm.

Mr. Chambers: The question of motivation has been discussed from which follows the question of recruitment at the college level. The gentlemen from Laval this morning suggested that it is a rather tender subject and they do not intend sending their recruiters to New Brunswick in an endeavour to bring in recruits. I wonder whether Truro sends their recruiters out, and would ask Laval whether such a practice should be admitted.

Dr. MacRae: Mr. Chairman, I could very quickly answer Mr. Chambers on the Truro situation. If you wish to put it in terms of student recruitment, our policy has always been that when we are asked by high schools in any province of the Atlantic region to go and talk to them about our program, we go. Any time that we have a request to do this—and we have a sizable number of requests annually—we go. We spend a lot of man-hours going to high schools and talking to students.

The point I want to make is that we have not traditionally gone out on our own, beating the bushes, if you know what I mean, but that we respond always to requests that come from high school areas, and we do what we can to present the program to them. I think this is probably what you had in mind. We do a great deal of it in New Brunswick.

[Translation]

Mr. Chartier: Mr. Chairman, Laval University simply offers these services to New Brunswick. We have not done any recruiting yet in that Province. We are very aware of the respective jurisdictions of the provinces, both with respect to New Brunswick and Quebec, and we will not go uninvited to New Brunswick. I do not think that Laval will go unasked beyond its geographical university boundaries.

Mr. Cloutier: Mr. Chairman, on the question of recruiting, I would like to clarify one point, namely that this Committee seems to be unaware of the differences that exist between the English and the French educational system, that is to say the Quebec system. On the English side, in New Brunswick, the system is somewhat like that in Ontario or in the West, where a student directly goes from the secondary level into the university level whereas in the Quebec system, since the reform, a student goes from the secondary level into an intermediary collegial, level for a period of time, and from there he moves into university. So Laval University cannot do any recruiting in our Province. It cannot do any recruiting in secondary schools. And this is why there is need for an agreement with the University of Moncton, which is a French-speaking university, in order that they accept the two years that we offer and which correspond to the collegial system in Quebec, so that students may attend at the university level in Quebec.

[Text]

The Chairman: Thank you for that clarification. I wonder if I might ask Mr. Shuh whether or not the expertise of this successful beef farmer—his knowledge and the kind of operation he is engaged in—is being carried to others by way of extension services with the government. It seems to me that if you can find a model farmer, who has been a real success, then one way of improving agriculture is to take his know-how and methods and suggest them to other farmers, who might copy what he is doing and also become successful.

I have had agricultural training myself. I was away from farming for a long time. I went back to being a more active farmer 10 years ago, and I can tell you that the best way to go farming is to find a successful farmer and to pattern your operation on his. That may sound very simple, but, after making some big mistakes, I tell you that is the best way of doing it. If there were some method by which the methods of a successful farmer could be taught to others, it would be very helpful.

Mr. Shuh: Yes. This is certainly how the extension service people operate in Nova Scotia. They look for the innovators. They work with them, and try to get other people to see what the innovators are doing and what success they are having in the programs being followed.

There are various things that come into this particular situation, of course. It was not until we had established a weather station in the immediate area that we found out that this particular area, in the matter of heat units, was pretty much next to the stations of Kentville, Greenwood and Annapolis, which are certainly the favoured ones in Nova Scotia. The north shore area, along the Northumberland Strait, is also an area which would support good silage corn production.

The second thing is that these people, like Rodney James, come to the departmental people and to the college for information with regard to soils, fertilizers, varieties, management practices, and so on. So there is a continual exchange of information between these people and those in the extension and at the agricultural college.

The reason I know about this particular farm situation is because I teach field crafts to a group of engineers. I take them over there each year to see the operation, and to

see what one man is doing by way of innovative farming and the success he is having. The students certainly get their eyes opened when they go there.

Dr. MacRae: Mr. Chairman, I want to be very brief. I think there is a point that might be raised here in relation to your question. That is the business of bringing the example of the successful farm operator to the student. For a considerable length of time we have been attempting, in our agricultural business, animal science and plant science programs at the N.S.A.C., to make part of those programs what might be called on-farm practical experience. We have to realize that increasingly we are getting more and more students who perhaps have had very little on-farm experience or background training. It is a good thing if we can get bright people interested.

One of the things in which we have become heavily involved recently is an attempt to put together a program which is specifically geared for people who will go back and operate or manage farms. A very heavy component in this field has to be the actual business of working and being instructed by a successful farm operator.

We are presently in the process of trying to put all the pieces of this together. One may very well ask the question why did we not do more of this long ago in agricultural training and education. The simple answer is that it is extremely difficult to do. But that is no reason for us not to try to do more than we have done in the past. We are presently in the process of adding time to our programs so that students can spend a significant amount of time with successful farmers and become, in effect, part of our instruction staff in this overall program.

I could go deeper into this at this point, but I think it would be fair to ask Mr. Hamilton if he would like to comment, because he is the one who is earmarked to set up and head up this new kind of program which we are trying to initiate.

Mr. Hamilton: Briefly there are two things which we feel we have to do in order to utilize farms. One is to teach skills. We can use our own farm at the college for this, to some degree. But we have been using successful farms for this, and we will use them much more heavily in the future. An added component that we are going to put into our new program—and we hope to get started on this at this time of year—is the management and planning side of it. One of the real difficulties in providing training in farming is that you teach it in pieces: you teach crops in one place, swine production in another, and soil in another. All these things are like pieces of a puzzle, if you like, which do not come together for a lot of these pupils into the framework which is the farm. Your thinking on this is to provide the frame for that puzzle—that is, either each student would have his own home farm or, if he does not, then have him bring the farm with him, so to speak, so that all his course work is built into this frame. This would provide some real meaning in terms of dollar-and-cents unit, because the science and everything else has to work out. In production agriculture, the only place it makes any sense is within a farm framework.

The other component is that we are going to try to add to this and we are going to be utilizing successful farms, hopefully, for this purpose in the coming year.

Senator McGrand: I think this is a good time to ask my question, Mr. Chairman. Mr. Albert has mentioned “new agriculture” several times, as if there was a new day coming up. I was always under the impression that we had very little high-grade land, first quality land, in New Brunswick. I was always under the impression that corn only grew where the soil was real warm and where there was a good deal of moisture.

I think we in New Brunswick have inherited a feeling that New Brunswick is not a good agricultural province.

Before the day when woods work was done by mechanized equipment, it was done with horses. In those days New Brunswick did not grow enough oats to feed the horses that were used in lumber camps. At that time schooners would leave the Saint John River with sawn lumber for Boston and New York, and they would come back loaded with American oats for the horses. Not only did they come back with American oats, but they brought back American pork and American beans to feed the men who worked in the lumber camps.

Perhaps there is a new concept growing up on the value of New Brunswick land. Is that the feeling you are getting? Is that what you see coming?

Mr. Hamilton: I think it has already started to happen. I am sure Mr. Albert will reinforce that view.

The Chairman: For agricultural purposes?

Mr. Hamilton: Yes.

Senator McElman: Isn't there a new concept growing in the Atlantic area generally that even the land that we have will produce if fertilizer is put on it?

Mr. Hamilton: It is a long story.

Senator McElman: After the last war a number of Dutch settlers came to an area of my province near Fredericton, the Mougerville-Sheffield area, where fifth-and sixth-generation families had been diminished into generation-after-generation welfare families. They were existing; they were not farming. The Dutch immigrants came in as families and changed that area into a fine producing area of field crops. They did it with fertilizer and, of course, with hard work. Every member of the family was in the field from the crack of dawn until the last shaft of light disappeared.

It was not just a matter of being industrious. Those settlers brought with them a feel for agriculture which had been developed over the centuries in the lowlands of Western Europe. They knew that if you wanted to grow something you had to pay something for fertilizer to make the earth produce.

Is this a new agriculture, or is it just the old agriculture brought alive again?

The Chairman: Dean Lavoie?

[Translation]

Mr. Lavoie: I am glad, Mr. Chairman, that a member of the Committee just spoke about Mr. Albert's statement on a new agriculture.

I have also thought about that since. I think that such is really the case. It is probably more of a new rural world, a

new "ruralism" if you wish, a new agriculture, at least in my mind.

This is the case in the marginal areas. I do not know Kent County. I do not know whether it is the kind of area that we call, in the Province of Quebec, marginal, such as, for example, the back country, but I think that this is really a new activity that should be called "ruralism" and which includes or integrates, the so-called farm production activities, and so on. It is in this field that there is a great need for imagination and know-how for it is there that man really reveals himself as the conqueror of space. In intensive farming areas, there is no such problem. It is traditional agriculture. But in the future, a good deal of imagination will have to be used in marginal zones.

On this point, I will give you a statement which is altogether personal and in no way related to the organization which I represent but I, for one, do firmly oppose myself to the closing of those so-called marginal areas in the Province of Quebec. There are, of course, areas, places that must be closed or left as treed areas, if you wish, but no more than that. On the other hand, there are regions that have been classified as marginal, such as for instance down-river, and are intended to be closed to agriculture and where the people will be moved into low rental housing. In this predicament, one cannot say right away what the social and psychological impact will be on those people. If, on the one hand, one considers what the cost may be to the community for the opening and keeping of these lands during a certain number of years and if one also considers, on the other hand, such new elements as consumption for instance, the protein crisis, etc., throughout the world, one realizes now that land and space will be much more important in the future than in the past.

On account of this, I am personally opposed to the closing of most of those so-called marginal lands.

[Text]

The Chairman: I thank Dean Lavoie for his remarks.

I should like now to make a comment; and if he would care to comment on my comment, I would appreciate it. I certainly agree with everything he has said about the need for farming, forestry, tourism, and so on. I would like to elicit his comment, however, on whether or not he feels it is possible, in this kind of rural setting, to perhaps not only encourage full-time farmers, but to encourage part-time farmers—in other words, encourage people who perhaps have to have a job to supplement their farming income, to go into the farming business or stay in the farming business. Perhaps if we can encourage part-time farmers we will keep our rural areas; we will have a viable rural Canada. Perhaps at a later stage many of these part-time farmers, through increased production, could become full-time farmers.

My personal opinion is that this would be one avenue at which government should be taking a new look, so that legislation is not confined to farmers, as such, becoming more economic farmers, but would also encourage people to go out into rural Canada and operate farms even though they may, in some instances, do so on a part-time basis.

You are nodding your head. I take it you are agreeing with me.

[Translation]

Mr. Lavoie: You are perfectly right, Mr. Chairman, and in the marginal lands lies, let me repeat, the future and integration of all the resources of the milieu. The government must not aim its policy at the development of one resource alone, one single activity such as agriculture, not at least for the moment.

In a certain number of years, as you have mentioned, the farmer of these lands may be able, on account of certain phenomena, or on an account of the emergence of certain species,—for there are research people in genetics who work to adapt certain species to more rigid weather and soil conditions—and this is a policy that could be initiated, this policy of integration, and it would be much more positive than to merely say: well, listen, people who live there will be moved into low-rental housing and then, these lands will be closed.

As an example, I give you the protein crisis where, throughout the world, great efforts are made to know—probably it is the same in New Brunswick—where there is what we call the "*bourgane*", that is marsh sap, with a high protein content, and which is cultivated in the marginal areas in Lake St. Jean, County of Charlevoix, and in Abitibi, for the climate there is cold and the soil is damp. Yet, it yields excellent proteins. It is a matter of the genetics people who developing sound strains, exempt of certain diseases. I imagine that several marginal parishes will be able to live practically exclusively from the extraction of these proteins, or at least from the cultivation of *bourgane* and the extraction of proteins, in order to survive.

[Text]

The Chairman: Thank you very much. While we are concentrating on New Brunswick and Nova Scotia, I think our terms of reference can actually be said to include Quebec, because we say "Eastern Canada," and we have in mind the problems of rural Quebec, that in many instances are no doubt quite similar to many of the problems in rural New Brunswick and Nova Scotia.

Senator Norrie: Did we not even say it might apply to the West too?

The Chairman: No. the West has been catching hell around here for a long time for hogging everything in the agricultural sphere, so this time we are right down East and we are not in the West at all, according to our terms of reference—only so far as the East might happen to be able to learn from the West, I guess.

Mr. Albert: I wish to reinforce some of the statements of Dean Lavoie concerning marginality, and the need to integrate the use of the various resources. This calls for providing an environment that will allow this integration and enable us to look at the situation in a so-called marginal community, to find out if the reasons for the problem are either pathological, in the sense that there is a cure for it, or whether they are related to the elements, such as soils or other resource-based problems.

Perhaps I am departing a little from the subject, and I am expressing a personal opinion. Where do we go from here? I do not want to appear to be a substitute for your authority, but I see all these gentlemen around here who might have some answers. Is there some way in which we

could establish a working force to solve some of the training problems that have been referred to in order to provide manpower, either professional technicians or farmers? It would seem that we have right here and now great resources at the tips of our fingers. While we have heard a lot about what they are and what they have to offer, do we leave it to each provincial government or to the Senate committee to come up with some integrating element or some programs that will use these means of solving some of the problems that have been pointed out?

The Chairman: We have some professors here. Dean Cloutier?

[Translation]

Mr. Cloutier: Mr. Chairman, I am perfectly in agreement with the question just asked by Mr. Albert, namely: where are we going? But I think that before asking us that question we should answer another one: from where do we take off?

This question, which does not seem to be evident, or at least of a standard, for all members of the Committee, that is that it would be absolutely necessary to realize what the situation is as it now exists in the Maritime provinces and more particularly in New Brunswick.

It is obvious from all the statements we have heard this morning and this afternoon that there is an educational disparity between the English and the French sides. There is also a disparity, which arises naturally from the first, between the number of English-speaking specialists and the number of French-speaking specialists. If this disparity is acknowledged as being the starting point for a projection indicating where we should go, I think that we will be able to do the kind of work whose long term as well as short term effects will be most beneficial to the Maritimes.

[Text]

Senator Norrie: In reply to what has just been said, I should like to say that I think it does apply to the French-speaking areas bilingually. But that does not apply altogether in the depressed areas which are only unilingual. There are other very strong factors that are causing these depressed areas. It is not only the lack of educational facilities; there is something else, and I would like to hear somebody say what it is.

The Chairman: I do not know how we can answer Mr. Albert's question about where the experts go from here, whether they are going to have a continuing committee or not. I do not really think that is our jurisdiction. We might hope that you have one. You are in the Premier's office, and you might have that as a meeting ground and invite your colleagues down there.

Mr. Albert: You have noticed that none of the institutions is in New Brunswick.

The Chairman: It might be a good place to have a meeting, then.

Mr. Albert: Yes, indeed.

The Chairman: However, I know what you are driving at and I agree with you. If this could be kept on, so that something grows from it in the way of an interprovincial

committee, or something like that, I think it would be all to the good.

Senator McElman: I am one of those who is most active in reactivating the idea of Maritime union and having a look at the whole thing again. As a matter of fact, I do not think it is breaking any confidence to say that I wrote the speech Louis Robichaud gave at the Federal-provincial Conference in Charlottetown in 1964, which actually did reactivate it. Since that time the studies have evolved more into cooperation between the provinces than towards actual political union, which I think is most beneficial. Certainly beneficial effects have flowed from it. There is the continuing premiers' conference and the various cooperative groups that work in conjunction with it and answer to it.

The thought has been going through my mind, and perhaps Mr. Albert will take this back to Fredericton with him—we have now already the framework, under the agreement reached with Quebec several years ago—that to overcome the immediate problems that we have been speaking of, the lack of agronomists to cover the northeast area of New Brunswick, and technicians as well, perhaps some type of agreement could be worked out between the departments of agriculture of New Brunswick and La Belle Province for an exchange of personnel. I think the province of Quebec is well staffed, according to the information we have received, with technicians and agronomists to assist the agricultural community. It could well be an intermediate answer to some of these really pressing problems could result from such an agreement of co-operation between the two provinces, through their respective departments of agriculture. Many of the problems of politicians are created by lines that have been drawn on maps. Surely this is not the kind of situation where simple lines or boundaries should be continuing obstacles? As I say, the framework for doing something of this nature is already in place.

Dr. MacRae: Mr. Chairman, what I want to say bears directly on this. We very clearly have some real problems, and I know there are others. I want to refer specifically to the problem of education and training and providing the kind of professional people of whom Mr. Albert spoke so lucidly this morning.

There is no question apparently, from what we see, that there is a shortage of people going through the educational system in agriculture to serve those areas of New Brunswick which appear to be the problem. At the same time, he has very clearly stated this problem, and there have been some very realistic routes suggested today in the discussions we have had. To get more francophone students who are interested in agriculture going through the educational system, the idea of the programs at the University of Moncton providing the equivalent of two CEGEP years in the province of Quebec and thereby making them eligible to go on to Laval University, is to me a very realistic and sensible route for students in this area in the province to get their agricultural education, if they wish to do it completely or almost completely or entirely in the French language. This seems to be a very reasonable and logical proposal to make.

The other side of the coin is that for those French-speaking students who may wish to get part of their training in English, presently operating in our institution in limited numbers, the students go through a two-year course with us in English and then go on to complete their programs at

Laval. So there are two possible routes that may serve the two kinds of needs of these people: on the one hand, those who wish to do part of it in English and then the latter part of it in French; and, on the other hand, those who wish to do it entirely in French. I think these two things are worth exploring.

We are always prepared to become involved in any discussions or developments as to ways whereby we may improve the kind of situation that we have in our institution in helping these people to go through the system. Our door has always been open to try to do this. I do not want this to sound like an old cliché or to have it sound corny, but, after all, our first responsibility as an institution in the Atlantic region is to help as many young people get into agriculture and be successful as we can, and the network of the solution to this problem has perhaps been very carefully spelled out and we are pursuing it.

The Chairman: Thank you very much for your specific suggestion.

Mr. Shuh: Mr. Chairman, may I add to what Dr. MacRae said? He spent some time in Fredericton about two months ago, and as a result of the discussions there at that time, with regard to the agricultural college perhaps being more attractive as an institution for educating some of the francophone students, we are now in the process of having this particular circular translated into French so that it can be considered in the French high schools in New Brunswick, so that the students there can read about the program in their own language and find out what we have to offer them.

The second thing which I might mention is that, for those students who are in our institution at the present time whose mother tongue is French, we are making some arrangements to see that those students can write some of their examinations at least in French rather than write an English examination as such. They can write their paper in French, and the instructor there is competent in French and will be able to evaluate the paper. There also has been discussion for an extension into other areas so that students, if they cannot express themselves adequately in English, would have the opportunity of expressing themselves in French and having this translated by somebody on the staff who is competent to do this.

The Chairman: Very good. Are there any other constructive suggestions like this one?

Dr. Andel, you have been here all day. I know you came as an observer, but I would like to invite you to make a comment if you wish to, or you may wish to stay out of it.

Dr. M. E. Andel, Director of Research and Farm Management, Farm Credit Corporation: Mr. Chairman, I might just comment on one point of view raised where the emphasis in the past has been on full-time farmers.

As you know, I am with the Farm Credit Corporation, and this is one of our policies, that loans will be made to people who are principally occupied in farming. I think the reason that is in the legislation is that it was felt that loans to part-time farmers may not be fair competition for those who are farming full-time. Those who farm part-time could get much of their living from an off-farm job and therefore would be competing with others who are farming full-time.

With the change we have now in the situation, where food prices are much higher and there is a shortage of food or at least it is in scarcer supply than it had been in the past, perhaps there is some room for encouraging others to enter farming. The capital requirements today are very high and it is very difficult to save the amount of money that is required for a down payment. If people could keep an off-farm job for a few years until they accumulated enough capital for a down payment, it might be a means of assisting young people to enter farming. So perhaps there is some scope there for changes in legislation and policy to facilitate young people who want to go farming.

The Chairman: Thank you very much, doctor.

Senator Michaud: On those remarks, I would like to make the following comments. You have said, sir, that by the terms of reference of the Farm Credit Corporation, you could not lend money to part-time farmers.

I understand that your corporation also has the administration of the Small Farm Assistance Act. When we started to study the situation as it existed in my own section of the country, Kent County more particularly, we expressed high hopes that this new legislation would look after the problem there.

From an agricultural point of view, the problem there is that we have 81 per cent of farms with a gross income under \$5,000. One would assume that in the transaction of land transfers, which would occur through the medium of the Small Farm Assistance Act, the movement of land would occur in that area within the 81 per cent, because, obviously, no man can make a living out of \$5,000 gross income on a farm.

According to the letter of the law, we find that there is a restriction in the act which says that unless the vendor is a full-time farm operator he cannot sell his holdings under this act and retain the benefits which accrue under it. The net result of that is that we have 81 per cent of our small farmers who are declared ineligible according to this act.

In practical terms, what has happened in Kent County since the act was proclaimed—this same act on which we had founded such high hopes—is that we have had one transaction in the amount of \$2,200, all the other cases being declared ineligible because of the fact that the owners of those farms were not full-time farmers.

Now we have to start all over again, because, we are no further advanced than we have ever been when confronted with that small farm problem as it applies in Kent County.

The Chairman: I just want to say to the committee that on behalf of the committee—and I am sure you are happy to have him here—I invited Dr. Andel to sit in as an observer and to hear the proceedings and, perhaps at a later date, to come back on the farm credit matter in a particular way. Certainly, at a later date we would like to have him meet with the committee to give us the benefit of his advice in a general way, on the general matter that we are discussing, and not just zero in on the small farms. Because he has a wide knowledge in economics, I felt that he could make a contribution other than in his position as an economist for the Farm Credit Corporation.

We are happy to hear your comments, Dr. Andel, if you want to give them. You can by-pass as much of it as you like and we will understand that, too.

Senator Michaud: Perhaps I should add, Mr. Chairman, that I do understand that Dr. Andel's organization applies the act but did not write it.

The Chairman: With that comment, Dr. Andel, you can say as much or as little as you like.

Dr. Andel: Thank you, Mr. Chairman. The program has several elements to it by several agencies. So far as the federal government is concerned, the Canada Department of Agriculture is responsible for the overall program. The Canada Department of Agriculture has assigned responsibility for what is called the land transfer program to the Farm Credit Corporation, and the Farm Credit Corporation administers the grants and the special credit under this program.

The counselling work and, of course, the drafting of the agreement between Canada and the province was done between the province and the Canada Department of Agriculture. They came to an agreement as to what the provisions of this should be, and the land transfer part of it was assigned to the Farm Credit Corporation.

On the vendor grants, the grants to people moving out of agriculture, this was set up to assist those farmers who were either retiring—and this would give them some extra income when they retired—or were moving to some other occupation. The grant was to assist those people to move to retirement or to some other occupation, and this was assistance to farmers.

If they were already off the farms, it was felt, I suppose, that further assistance was not necessary.

I think that is the reasoning behind the agreement. Perhaps there is room for improvement, and we would be glad to have any recommendations that there are for improvements.

The Chairman: Thank you for your comments, Dr. Andel. I think they have been most helpful. We will be happy to forward to you any opinions or recommendations we have from time to time. Perhaps we will wish to invite you or the Farm Credit Corporation, as such, to come back before the committee. We thank you very much for your assistance to the committee.

Dr. Andel: I am sure the other corporation officials will be very pleased to come any time you would like to have them.

The Chairman: Honourable senators, we have done pretty well on the first of the two items which we had to deal with, namely, "Professional Education for Agronomists". However, we have a second item, and as we have not much time we must decide how to handle the balance of that time. The second heading is "Adult Continuing or Practical Education for Farmers". I wonder if, just for the few minutes we have left, we could move away from considering the professional person in agriculture, and, those of us who wish to make comments, say what might be done to improve the adult continuing or practical education for farmers so that we can get the information out to the farmers themselves.

Personally, there are two points I would suggest. One is that the departments of agriculture—and this could be both federal and provincial—should do much more by way of putting on practical demonstrations to farmers with respect to what can be done to improve their lot. We have had so-called "demonstration farms" on the Prairies on many occasions. In the summertime we have picnics at these demonstration farms, at which farmers gather in order to gain experience first-hand. They are able to see some of the particular programs which have been entered into.

This is just my own idea and perhaps it will serve to get the discussion going, but I think that there should be an increase in the number of demonstration farms or demonstrations of particular operations. For example, it might be Mr. James with his corn-cattle operation, or something like that.

It also seems to me that, if we want to get information to the farmer, it is not just good enough to send him the odd piece of literature. Incidentally, I am not so sure how many pieces of literature he gets, because after our trip to Moncton, we came away with the feeling that the farmer did not receive much of anything.

In my opinion, the ag. rep., or person given the agricultural leadership in a community, should endeavour, and this would be pretty far-reaching, to make one call at least, and then perhaps periodically, on almost every farmer in his community. He should go into that farmer's home, into his kitchen or wherever, and talk over with him, his wife and his family the ways in which that farmer might be able to improve his own farm operation.

It seems to me that if you do not get on to the farm and into the farm home and discuss in a precise way how a farmer might improve his own operation, it will be a long time before these operations are improved.

These are at least two small ways in which adult education farmer training might be carried out to the farmers.

At any rate, what I would really like now is to have some specific discussion from the qualified people who are here on this particular part of our discussion as to how we might improve the agricultural education which is brought to the farmer himself.

[Translation]

The Chairman: Mr. Chartier.

Mr. Chartier: Thank you, Mr. Chairman.

Considerable efforts were made in Quebec through the Department of Agriculture, after agreements with the federal Department of Manpower. The agriculture faculty contributed to this effort. Following an agreement with the Department of Education, we organized five series of courses for farming counsellors. The first series is our social and economic training and we have given them 150 hours of courses.

The second series is on farming management. Here again, there were 150 hours of courses.

The third series includes what we call vegetable production. This program was also a 150 hours course.

The fourth series specifically concerned animal production. We also organized for these same farming counsel-

lors special courses on the production of meat cattle, on cooperation and life of a cooperative in a rural environment and the door remained open for any other course which might be specifically required by these groups. Therefore, let us say, that these counsellors were sent to us by the Department of Education and by regional school boards; in schools in rural areas the recruitment of farmers was done. These counsellors were under the direction of a regional agronomist who supervised them, that is, they were giving back to the farmers, the training they had already received; they really acted as animators in the rural environment. Then, and up to a certain extent, the farmer was becoming an instrument of his own training, of his own development, of his progress, if you want, in the social environment wherein he was called upon to live. This is what was done in Quebec, several thousand farmers benefitted from this action which then took on greater proportions.

Now, for 1973-74 some forecasts reveal that from 8,400 to 9,000 farmers will be able to benefit from these courses which are the result of a federal-provincial co-operation. Thank you.

The Chairman: Thank you very much.

[Text]

Are there any other statements or comments?

Senator Inman: What about what we used to call "illustration farms"? Is that what you spoke of?

The Chairman: Yes. They are often called that. I think they are roughly the same thing.

Senator McGrand: "Illustration plots"?

The Chairman: "Demonstration" is the word they put on them these days.

Senator McGrand: "Illustration plots" five or six acres; there are lots of them about.

Senator Inman: Aren't they a good thing?

Senator McGrand: I would think so.

Senator Fournier (Restigouche-Gloucester): There are no more.

Senator McGrand: There used to be. The farm people used to give picnics, and take visitors to see what was being done on these demonstration lots, five-acre lots.

Mr. Chambers: Can you give us an assessment of the success of these programs? I mean, you can run through numbers, and say, "9,000 this year and 6,000 last year and 5,000 the year before," or whatever; and that, really, does not tell very much. Has there been any evaluation of how it has affected the farmer when he has gone back to his farm? Has he put these things to use? Or do you not know yet?

[Translation]

Senator Fournier (Madawaska-Gloucester): Does this still exist? That is not being done?

Mr. Albert: No.

[Text]

Mr. Chambers: Mr. Albert, in his study earlier—the committee has already discussed it—suggested that in that case there was financial inducement to take the courses, and that that may have provided a considerable motivation for some of the participants. Are these courses financially oriented? Or are they completely voluntary? Or is there some inducement to attend?

[Translation]

Mr. Chartier: You want to know something about the effectiveness of this program? Let us say that at a given moment, Mr. Albert, contributed to this training. The expert in the faculty is Mr. Bouchard. He should be here, but he has been prevented by previous commitments—he made an analysis of the problem—of the subject. With us, the program has been working only in the last three years and for an evaluation to be real and valid, it must extend over several years. However, in view of the requests of farmers to participate in an increasingly active way in these courses, I think we can reach a numerical evaluation of the success of these courses. However, the motivation that these courses have brought about in the farmer is, I think the reason for their value and success.

[Text]

Senator McElman: Would this be federally funded?

Mr. Chartier: Yes.

[Translation]

I believe that the farmer who takes these courses receives a certain allowance; to what extent I could not tell you.

Mr. Lavoie: Mr. Chairman, in addition, or perhaps to answer the question, I must say that it is impossible to evaluate quantitatively the impact of these courses on rural environment. However, one thing appears to be obvious which is that before these courses were provided, we were receiving few farmers in the faculty. Since then, we have been receiving an increasing number of farmers from the Province of Quebec. They are brought to the faculty by former students, those who followed counselling and animation courses in the faculty and who are now asking a series of questions. This contributes to a large extent towards a closer relationship between the faculty and the farming world.

Another form, of adult education—I do not know if I am out of order—but I still want to point out this experience that we are presently living but not for very long because of administrative difficulties and problems of comprehension between the department of Agriculture and the Development Board of Eastern Quebec. For one year now, we have been working with populations in the lower St. Lawrence in a marginal sector called the Auclair county in Témiscouata; we have people there from the faculty working with the population in an attempt to find a community management formula. Moreover, within this program, we have activated other programs. We have for example had these populations follow courses in Grand Portage, in the Regional School of Grand Portage. We have given them Zootechnology courses on the field,

courses on the breeding of slaughter animals and so on and so forth. I think that for us, this is an excellent formula which allows us to better relate to the rural formula and also to teach these people something new in a very practical way and to show them what they have access to. Often, this is what is missing. The farmer does not know what he has access to, be it in terms of legislation or of social privileges. Before the organization of these courses at the Regional School, the farmer did not know that he could use these privileges. We thus organized these courses and told them about all these advantages that they have. For them, this is a fantastic experience. Unfortunately, it will not last very long. We are still anxious to live with the population and to be in contact with them. In my opinion, this is one type of adult education.

Mr. Albert: Mr. Chairman, there is another formula which is becoming apparent in the northeast sector of New Brunswick—I have taken part in the proceedings of the committee on the formulation of the program—this is the northeastern area of New Brunswick, which is part of the FRED Agreement, which has been designed for special programs under the initiative of an organization called the CRAN. A regional council, chaired by a farmer, has recognized the need of elaborating for the farmers-to-be a training and introductory course on the farming world. With funds from the federal government and available funds in the Manpower program, we have created a team of three experts, one an economist and the other two farming technicians, these are people who are specialized in these areas and have specific interests and capacities. They form a team at the regional level. They are presently recruiting some 25 farmers with whom they will spend three months in training. In this rather intensive three months training program, it is to be hoped that it will be possible to multiply the opportunities of information exchanges between participants. As Senator Argue was saying a while ago, it is difficult to find a better instructor than a successful farmer. Therefore, we will exploit to a maximum this kind of training through weekly visits with one of the participants or to another farm in the area and spend, in fact, one day, or if necessary, two days with the farmer and we will become involved in the management of this farm.

You will interject that when we are talking of 25 people, the party is rather big but this is to make the course as practical as possible. This team of three people of whom I am speaking will all follow these 25 people including other customers from the area, so as to give information tailored to the needs of the individual. Moreover, this same team will be used as an agent or a programming an planning team at the regional level, which fits extremely well into the context of what I was saying this morning. Moreover, our programs must be organized at the governmental level, taking into account the differences between the various regions. This team will therefore be able to conduct applied research projects such as demonstration farms in a very practical way so that a farmer cannot accuse the team or individual conducting the experiment of being highly subsidized by the government and say that this does not apply to him. This will be applied to very real conditions among farmers.

The following year we will start again with 25 other participants. During the second year, we believe that the first group of 25 will find it necessary to take a shorter course of one or two weeks. They can then rely on the

three training years they have received, but in very specialized items such as have been mentioned a while ago, that is, slaughtering or some similar specialized area. This may have been done elsewhere but, to our knowledge, the procedure is somewhat new to the extent that many arguments have been necessary to convince the Manpower Department of sharing the cost of this experiment because it was not direct skill training, in the sense that we were not necessarily showing the individual how to keep books, which is being done at the end of the course, before another course is begun. This is a rather complete course on farming. You must remember that this remains at the introductory level. But, if this remains at the level of a course, we believe that it will be very profitable in all cases, especially if it is applied in such a way that the farmer uses real examples, because it is his farm, his enterprise.

If anyone has any suggestions towards improving this program, or if there are experiences that can be shared with others, this would be very useful, because we are still at the beginning.

The Chairman: Senator Fournier.

Senator Fournier (Madawaska-Gloucester): Mr. Chairman, I think, Mr. Albert has just given two instances of what is being done now and what they are beginning to do in New Brunswick. This is what they have been doing in the Province of Quebec for the last two or three years, and it is perhaps the right formula to reach the farmer. If it had been adapted 10 or 15 years ago, agriculture might not have been in its present state. In other words, when you cannot bring our people to the university, or to agricultural schools, you bring the university or the agricultural schools to the people. I think that is an ideal formula, chiefly regarding the farmer.

I think, now, the university, the various agricultural groups and the various Departments of Agriculture, have a lot of work to do, in order to develop a farmer oriented programme, which will enable the farmer to become an agronomist.

We have here two points which I regard as being important; they are the Francophone and the Anglophone points of view which must be reconciled. As Senator McElman has said a while ago, between the province of Quebec and New Brunswick, there already is a basis of agreement which could be adapted.

Now, in the opinion of the Committee, legislation can help the development of agriculture. I think it is also necessary to orientate our farm-credit policies. I am happy that a while ago the Chairman mentioned the fact that our agricultural policies are not adapted to the farmer, at least only to the full time farmer. It is exactly what has been discovered and this is what Senator Michaud pointed out a while ago. Although there was agreement on this last policy, such as the remuneration of small farms, one notices that it closely affects us in the present formula. Therefore, I think there is much to be done by the government and by the universities as well, to find a practical solution to give an impulse to agriculture. Now they seem to have lost sight of the economic development which is taking place and which perhaps in a few years will give another dimension to agriculture, either as a result of a forthcoming crisis where food is concerned and which could be similar to the present energy crisis.

I think all our marginal farms which were spoken of a while ago, could be brought back to a great extent to agriculture and with the suitable formulas.

I think we have dealt with practical points of view today. I hope our committee will be able to help. I chiefly hope we will have the advantage, as we have had today, of having experts with us to guide us in the development of really practical farmer-oriented policies. These are all the comments I wish to make for the moment. I am happy some practical points of view have been expressed and that we are on the way to finding means of perhaps helping the farmer.

Mr. Chartier: Mr. Chairman, returning to this idea of small farms, let us say, since a number of years, the value of small farms has been questioned by saying that they are not viable. I think that we are quickly learning from history that small farms acted like a buffer, being less exposed than large ones, less sensitive to significant economic variations. They operate year in year out with receipts which are not what they should be. I think that, still, they contribute to supply the agricultural market with all the products everybody needs today.

But, returning to this idea expressed by Mr. Albert, namely, that another type of agriculture is appearing, I can tell you that we have witnessed and are witnessing again the development of the rural environment. One notices, then, that across Canada less and less people work in agriculture.

Which leads me to this idea: should not agriculture be one of the main concerns of urban dwellers? Which means we may, in two ways, return to farming. It could be done physically, but it can also be done by means of intellectual motivation, that is to say we should be more and more interested in problems regarding the land, in problems concerning agriculture.

In the recruiting of our students, one notices that this is being taken into account quickly. There is an increasing number of urban dwellers, youths who come from the cities and two are interested in agriculture. They are no longer farmers' sons who return to farming, to agronomy, as such. This is why I am saying that if we cannot find in the rural areas, the generating power which contributes to the continuance of agriculture, we will have to seek our human resources elsewhere. I think it is by motivating youths in the cities, in really acquainting them with agriculture, because all men live off the land, whether they were brought up in the city or in the country, that we shall find a solution to this problem.

[Text]

The Chairman: Very well said.

Senator Norrie: I would like to see emanate from this committee today something which would be of immediate help for the short-term aspects of the small farm in addition to its long-term aspects. We could give a short-term stimulus to those with whose welfare we have been really concerned, those in the small farms. Maybe we could recommend such steps as the gentleman has just spoken of regarding students, which would be an immediate stimulus, perhaps with the accompaniment of appropriate scholarships. Another step would be to recommend part-time, off-work income to assist new farmers to repay their

loans initially. They would perhaps be encouraged to enter farming if such a dual opportunity of earning money were available.

Those two items come to my mind, but other members of the committee may think of others. I have not given too much thought to the long-term and short-term aspects, but if we could recommend long-term steps, such as assisting in matters of bilingualism, literature and education, they would be most important items. In my opinion, if we could divide our discussions today into short-term stimulus and long-term stimulus and plans, it would prove to be very profitable and assist us to recommend something definite.

The Chairman: Judging from the discussion today, we can gather these items out of the evidence, because I think everything that has been put forward at today's session has been really good. Does anyone else wish to speak?

[Translation]

Senator Michaud: Mr. Chairman, in support of Mr. Chartier's comments, I would say that it is obvious we have to go elsewhere than in the agricultural sector to recruit the necessary manpower to revalorize the agricultural sector as it is now. In saying that, I think of my own region in particular, Kent County, chiefly when we consider that within the last 20 years, the agricultural population of the county has dropped from 15,000 to 2,000 today. Moreover, in the last 8 years, 4,000 young men or 4,000 persons ranging from 15 to 25 years of age, have left the county. Therefore, it becomes obvious that the agricultural manpower is so reduced that it is incapable on its own to give itself the necessary strength to redevelop those 80,000 acres of class three arable land, which we have in the county.

The creation of special means is essential. The governments must recognize that the situation is serious, and I would describe it with the words used in article by the *Evangéline* editorialist of Moncton, during our Committee's visit last June and which reads as follows:

The part the Senators wish to play in 1973, was first imparted to the federal and provincial governments, but they have shown complete indifference to the problems of the farmers until today.

And alluding to our Committee, the editorialist goes on to say:

The consulting physician is coming, but the patient is perhaps already dead, and the governments do not realize the patient's serious condition.

Therefore, I am saying that the governments must make an effort to correct this situation which is very serious at home. Then they can do it by using the means suggested here, namely that those who have the expertise, get the necessary funds to enable them to go to the area to make the required corrections on the spot.

[Text]

The Chairman: I do not wish necessarily to bring this meeting to an end, but I believe the delegation from Laval must catch a 5.30 plane. Is that correct?

Mr. Chartier: It is at 6 o'clock.

The Chairman: There is no one here who must leave immediately?

Senator Lafond: No, but some must leave very shortly.

The Chairman: I do not wish the meeting to drag. I believe we have had a wonderful day. On the other hand, I do not wish to close it off when others in attendance may have important matters to discuss, so we will just keep on going as long as there is some life left.

Senator McElman: Could I ask the deputy chairman a question? Is it not a fact that the people who left Kent County, many of whom were originally involved in agriculture, left not only Kent County but also agriculture? Did they not go in great numbers to the New England states and to central Canada, to the larger cities, and become involved in factory work and service industries? They not only left Kent County, but they did not move to other jurisdictions where they could be employed in agriculture.

Senator Michaud: Yes. Most of them left the country altogether; most of them went to the New England states.

Senator McElman: They did not move to become involved in agriculture?

Senator Michaud: By no means. They are in factories. They are factory workers in the New England states. I think we have lost 61 per cent of our total population in the last 20 years. They have migrated outside the country altogether.

Mr. Chambers: In general, I think the question can be asked of people who have had experience in the area of educating practically. There are two other parts of the farm which we have not yet discussed in terms of education, one specifically being agricultural workers. Does either of the universities have ideas on the supply and training of agricultural workers? Secondly, decisions made on a farm are often made not just by the male entrepreneur but, it being a family unit, by the family unit. I do not wish to be accused of crashing through cultural barriers, or of tearing down the fabric of our society, but are any courses given to help the whole family unit—I think Mr. Albert referred to it as a decision-making unit—to develop a higher ability to handle the complexities of the new situation?

[Translation]

Mr. Lavoie: Mr. Chairman, one must give exact information here regarding the part played by the universities in the Province of Quebec, at least, in giving continuing education to farmers. The fact is our action is still very limited. The extension and the popularization of knowledge and direct contact with the farmers is traditionally achieved by the provincial civil servants, in a French-speaking environment, and not the universities, not the colleges. By comparison, if you wish, McGill University's MacDonald College has the privilege of going to the farmers, that is to say, the staff, the teachers. But in French-speaking circles, this is not the case. Therefore, we have to and we feel the need to approach the farmer, first to be able to thoroughly assess the situation, but you know when they accuse the universities of being aloof there is some truth in it. It is not completely true, but there is some truth in it. We have to accept it. Therefore, feeling this

need, we must try to find formulas now, to develop them, and this is not easy.

A while ago, I mentioned a very fortunate experience in terms of revalorization for us, the experience of continuing education, but in administrative terms it is a real flop.

Mr. Chairman, I have forgotten the second aspect I wanted to develop, maybe it will come back to me.

[Text]

Dr. MacRae: Mr. Chairman, in answer to Mr. Chambers' question, the kind of programs about which we spoke this afternoon, which we offer in the technician-technology area, is probably the kind of training that he is referring to—the people who assist in the production unit operation, that is, below the business level and management level of a farm operation. Our animal science technician program, for example, is geared to train people with practical skills in being a herdsman: the management of a dairy herd, actual skills in milking, feeding practices, and that kind of thing. There are a number of courses in the other programs in the technician-technology area which fit the kind of thing Mr. Chambers is referring to. I am not talking about the training of people to become farm labourers in the traditional sense, but those who acquire the skills to assist the farm manager, operator, or whatever you wish to call him. This is really the very basis of and the reason for, our technician program. It is to provide the kinds of people you are referring to.

Mr. Shuh: I wonder if Dr. MacRae would say something about the vocational program, which has not really been brought up this afternoon?

Dr. MacRae: Very briefly, Mr. Chairman, I could refer to the fact that every year we provide a large number of courses of a more-or-less specific nature for on-farm people, such as vocational courses in beef production, roadside marketing, blueberry production, swine herd management, and so on. These are courses of varying length which are conducted more or less on demand; that is, if there is a demand for these kinds of programs of varying lengths, we are able and prepared to put them on at any time. The present year's program is outlined in this orange-covered book, which I think most of you have. It is for September 1973-74. By way of statistics, it might be of interest to this committee if I give some figures. In all of our vocational programs, beginning in 1970, the following number of participants were involved:

Nova Scotia	510
New Brunswick	108
P.E.I.	99
Newfoundland	55

Over 700, almost 800, students in that one year participated in the vocational programs. In 1971-72 there was a similar kind of pattern. The figures are:

Nova Scotia	368
New Brunswick	60
P.E.I.	24

and so on, down the line. So that over the last three years we have had somewhere in the vicinity of from 700 to 800 people participating in the vocational courses at different times throughout the year.

Senator Inman: Many of our people went on what was called short courses.

Dr. MacRae: Yes. That is the kind of thing we are talking about. They may range in length from one week to three weeks. Some may be longer. It depends on the demand, and the demand for the kind of content.

I do not know if you all received a little yellow brochure, which lists the vocational programs and the dates and times they are conducted in New Brunswick, Nova Scotia, P.E.I., and Newfoundland. They get pretty wide distribution. Details are listed in both French and English. It gives you an idea as to the kinds of short courses that are provided.

Mr. Shuh: I did distribute these earlier with that sheet, Mr. Chairman.

The Chairman: Yes.

[Translation]

Mr. Lavoie: I now recall, Mr. Chairman, what I wanted to say earlier. It was to fulfil a wish expressed by Mr. Chambers concerning the new education methods.

I am told there is an agricultural school in England training not only the farmer, but his wife, that is they accept the couple and while the man is busy with a production course, learning about all its activities, the wife has lectures on domestic sciences, courses on all aspects of agriculture, but they are designed for women. Maybe we should think of a formula taking into account the importance of the farmer's wife.

[Text]

Senator Norrie: You should come and speak at our next meeting on the Status of Women.

Mr. Chambers: If I may have the floor, Mr. Chairman, I was referring to something less domestic and more productive oriented, in the sense of being of that somewhat newer generation where sex has no real, particular qualification limitation to it. This also applies to the remarks to the gentleman from Nova Scotia as to how many of these hundred-and-some-odd women at the college were taking training as entrepreneurs or almost entrepreneurs. I do not really wish to go into a lecture, but it seems to me that there would be double the energy and double the potential for creating a better management unit if both active participants were well trained, not necessarily in the whole process but each in his or her own specialized area to produce a unified, integrated—and that is a popular word today—unit and to make a better production unit out of the farm.

Mr. Albert: I hope Mr. Chambers is not referring to making some of these ladies "almost entrepreneurs" because they are "almost men."

Mr. Chambers: No, because they are as equally qualified to be entrepreneurs.

The Chairman: They would be getting the same training.

Mr. Albert: The study which we made in 1971, and to which Mr. Chambers has referred, illustrates that in some cases the spouse is the male and in others the spouse is the female. We found that on some of the farms the principal decision-maker, whom we refer to as the "head man", was a woman.

We found, for instance, that where the decision-making unit was constituted of at least two partners, generally that unit was comprised of a man and a wife. Where the decision-making unit constituted three partners, the third partner was generally one of the sons. Through some complicated analysis we found, for instance, that the more partners there were in the decision-making unit, up to seven, the more profitable the farm was per man.

Often times the female partners were asking for equal treatment as far as training opportunities were concerned, which was not the case at that time under the Manpower training programs. Under the Manpower training programs women were not entitled to the same allowance. Perhaps that has been corrected.

The Chairman: Our time is running out. At this time I would ask our Deputy Chairman, Senator Michaud, to thank our guests for having attended this meeting. Senator Michaud knows all of these people personally and he, along with Mr. Chambers, put a great deal of effort into formulating our agenda for today and in having it operate so efficiently.

[Translation]

Senator Michaud: On behalf of all our colleagues, I am pleased to thank our distinguished guests who came here today. We have certainly appreciated your coming. Your competence has been a great support.

Rest assured that we will take note of all your advice and recommendations.

[Text]

Just to repeat what I said in French, Mr. Chairman, on behalf of all my colleagues here, I am privileged to extend our thanks to our distinguished visitors who, through their high knowledge and inspired counsels, have rendered great service to our committee. Thank you, gentlemen.

The Chairman: I am sure our deliberations here today will warm the heart of Senator Michaud who himself has taken this problem so much to heart. Thank you very much for your attendance, gentlemen.

The committee adjourned.



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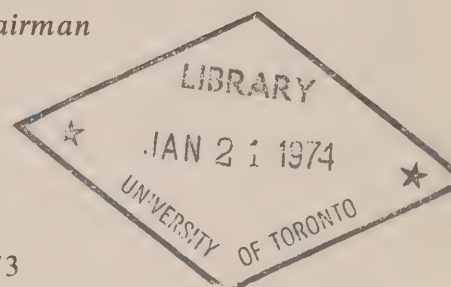
FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA
PROCEEDINGS OF THE
STANDING SENATE COMMITTEE ON
AGRICULTURE

The Honourable HAZEN ARGUE, *Chairman*

Issue No. 8

THURSDAY, DECEMBER 6, 1973



**Fifth Proceedings on the Study of certain aspects of agricultural
problems in Eastern Canada.**

(Witness:—See Minutes of Proceedings)

THE STANDING SENATE COMMITTEE
ON AGRICULTURE

The Honourable Hazen Argue, *Chairman*

The Honourable Senators:

Argue	McGrand
Belisle	McNamara
Benidickson	Michaud
Côté	Molgat
*Flynn	Norrie
Fournier (<i>Restigouche- Gloucester</i>)	Petten
Hays	Phillips
Inman	Sparrow
Lafond	Welch
*Martin	Williams
McElman	Yuzyk

**Ex officio* members

20 MEMBERS

(QUORUM 5)

Order of Reference

Extract from the Minutes of the Procéédings of the Senate, March 28th, 1973:

The Honourable Senator Argue moved, seconded by the Honourable Senator Lafond:

"That the Standing Senate Committee on Agriculture which was empowered by the Senate on 22nd February 1973, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada: provided that no special expenses shall be incurred by the Committee without specific authorization by the Senate and full compliance with Rule 83A, and that all Senators shall be notified of any scheduled meeting of the Committee and the purpose thereof and that it report the result of any such examination to the Senate, have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purposes of any such examination; and

That the Committee, or any sub-committee so authorized by the Committee, may adjourn from place to place in Canada for the purposes of any such examination."

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier,
Clerk of the Senate.

Minutes of Proceedings

Thursday, December 6, 1973.

Pursuant to adjournment and notice, the Standing Senate Committee on Agriculture met this day at 10.00 a.m.

Present: The Honourable Senators Argue (*Chairman*), Fournier (*Restigouche-Gloucester*), Lafond, McGrand, McNamara, Michaud, Molgat, Norrie and Petten. (9)

Witness:

Agricultural Economics Research Council of Canada:

Dr. Gordon A. MacEachern, President.

At 12.10 p.m. the Honourable Senator Michaud (*Deputy Chairman*) was invited to preside the meeting.

At 12.30 p.m. the Committee adjourned to the call of the Chairman.

ATTEST:

Aline Pritchard,
Clerk of the Committee.

The Standing Senate Committee on Agriculture

Evidence

Ottawa, Thursday, December 6, 1973

The Standing Senate Committee on Agriculture met this day at 10 a.m. to study certain aspects of agricultural problems in Eastern Canada.

Senator Hazen Argue (*Chairman*) in the Chair.

The Chairman: Honourable senators have already met Dr. Gordon MacEachern, whom I wish to welcome on their behalf this morning. Dr. MacEachern is President of the Agricultural Economics Research Council of Canada. He may wish to explain what it does. Recently he wrote an article, copies of which you have, which appeared in *Reader's Digest* under the heading "We Must Save Rural Canada."

Dr. MacEachern, we knew of your good work before, but this was a rather appealing statement you made, so we are delighted to have you with us this morning. You can make your presentation as formally or as informally as you wish. You may make your formal presentation, and then we shall ask questions. We have a fair length of time this morning, so you may take all the time you need.

Dr. Gordon MacEachern, President, Agricultural Economics Research Council of Canada: Thank you very much, Mr. Chairman and honourable senators. This is a new experience for me. At the invitation of your chairman, it is a pleasure for me to appear on behalf of the Agricultural Economics Research Council of Canada, over which I preside, and to talk with you about your inquiry regarding small farms in Eastern Canada. I have prepared a few comments, developed from research and experience in recent years, which might pertain to this mess. I hope they will be of interest to you.

Before I start, may I say that we are a rather unique organization. To know whereof I speak, that I am not establishment speaking, I should clarify what our council is all about.

We are unique in a number of ways. We are a non-profit independent research corporation, founded in 1962 by a broad spectrum of agricultural and rural interests to fill gaps in research and to co-ordinate research of a socio-economic policy nature pertaining to Canadian agriculture and farm people.

Our short history of about 11 years is a very interesting one, a rather bumpy one, in trying to maintain a degree of independence, while developing financial support in order to provide the degree of permanence and continuity necessary for us to carry out our responsibilities.

To this point, we have been fortunate in having voluntary annual support from farm organizations, co-opera-

tives, agri-business, provincial governments, represented by departments of agriculture, and the federal government through their Department of Agriculture.

Total annual contributions for our work range from \$70,000 to \$150,000 per year, and tend to be on a basis of a third from farm organizations and agri-business, a third from the provinces, and a third from the federal government. All research results are published, and an effort is made to communicate results to members and to the public by various means.

As a body representing all segments of its membership, our council does not take policy positions with respect to research results, but it does recognize that there is no such thing as pure unbiased research, especially in policy analysis. Each of us, including social scientists, has his personal aims, values and prejudices which influence such things as questions felt to be important for research and the alternatives to consider in seeking the best answers. The analysis by individual scientists tends to differ. So how do we know that the work we are doing is useful? Because we deliberately attempt to focus beyond today, to anticipate. Our interest is the public interest, rational policy analysis, not practising the art of politics; and we recognize that there are important dimensions to all questions. We are mostly dealing with messes, not problems; intelligent choices, not solutions.

How do we ensure against the bias of scientists? Simply by publishing all the work that is carried out, provided it meets technical and professional standards—and, in the words of Commoner, Whatever the social scientist's aims, values and prejudices, when he speaks and publishes openly—which I plan to do this morning—presenting facts, interpretation and conclusions, he has done service to the truth. For science gets at the truth not so much by avoiding mistakes or personal bias as by displaying them in public where they can be corrected.

So our views are not establishment, but are looked on by some as, at best, catalytic and, at worst, troublemaking. If we have any power, it is knowledge or idea-based; and, of course, we see ourselves as indispensable and essential to any semblance of a system of participatory democracy involving agriculture and farm people. So much for our council.

Now for a viewpoint. I am advised that the committee has noted with interest recent comments in the *Reader's Digest* article referred to, pertaining specifically to comments on the small farm development program, provision of credit, land banks, and the need for renewal of the tough innovative spirit as it relates to agriculture in rural areas.

For a long time, agriculture policy in Canada has had, as a chief thrust, the improvement of the viability of existing full-time farms and/or servicing the needs of economically viable farms. This runs through most, if not all, of the policy programs active in recent years, whether credit or other input programs, or commodity programs like the dairy, poultry policies of federal and provincial governments.

In most cases the thrust has also been to adjustment, many people moving out, facilitating remaining larger land holdings for farm specialization and greater concentration of output from fewer farms.

In a good number of commodity cases, restrictions on entry now exist and more are expected to be imposed.

Put another way, government agricultural programs have been designed implicitly, if not explicitly, to reduce the number of farms through amalgamation, the assumption being that larger land holdings are better equipped and mechanized and would produce a more affluent and stable agricultural community.

A key to this thrust and the structure effected in agriculture has been the federal farm credit policy, in that it has occupied and continues to occupy, a dominant role in financing all farm real estate in Canada, thereby greatly influencing not only the structure and number of farms but the composition of farm operators and the type of operations they undertake.

The impact of farm credit policy on restricting new entrants and certain types of operations can best be assessed by actually going through the process of seeking a loan from the local farm credit office; or as in the testimony given before you in Moncton, where the suggestion was made that dairy herd replacement represented the most profitable turnover in Kent County. This indicates the type of operational bias evident in most farm credit local offices. I think there is evidence to suggest that much more than dairy replacement is profitable in Kent County.

In recent years it has become increasingly obvious that problems were developing. For example, in 1969 Canada, for the first time, had a net deficit in its agricultural trade balance. We became reliant on other countries to supply our food needs. Subsequently, while having surpluses to our domestic needs in some farm products, we were becoming increasingly deficient in others. The level and composition of farm output just was not coming forth, and still is not coming forth.

For example, for the first six months of this year our agricultural-food imports are up over 22 per cent from last year. For the Atlantic provinces, which traditionally run a net deficit in agricultural-food balances each year, the deficiency has increased at the rate of one per cent per year.

The age composition of the farm population, for a large proportion of young people, was getting older. A recent census indicated that approximately half of the farm population was over 55 years of age. The 1971 census, especially for the Maritimes, shocked many, particularly in regard to the population decline in many, if not most, rural communities, where supposedly important development programs were being carried out. The land crisis and food crises have been part of this drift for many years.

Honourable senators are familiar with this, but this is the background in which these new initiatives, such as the small farm development program, the Farm Start program in Saskatchewan, and land banks, must be viewed.

In the case of the small farm development program, this is an indication of the concern and good intentions in addressing ourselves to the problem of land. Some land obviously is not being productively used, and this helps to free it for other small or big land holders in farming. One would have to be quite naive, however, to think that the results to date, and those anticipated by government officials, will produce any turn-around in agriculture or rural development. At best, it will slow down the trend.

A recent review of the program, even though it is only in the initial stages, by two Agriculture Department officials writing in *Canadian Farm Economics* suggest that between 125,000 and 150,000 farms—that is, about a third of all farms in Canada today—require this kind of assistance offered by the adjustment plan. It is expected that many of these farmers will find better opportunities outside agriculture. I am paraphrasing this analysis.

The initial response, which has been described as excellent, indicated that a large number of low-income farmers expressed the desire to enlarge their farms through special credit; but a relatively larger number of owners of “uneconomic” small farms—I quote the word “uneconomic”—expressed a wish to sell their farms under the program and take advantage of the vendor grant. It is not inconceivable that one of the effects of this program, despite some of its good aspects in freeing land, would be to parallel that of the dairy policy between 1966 and 1971, when there was a drop of 44 per cent in all dairy producers, from 165,100 in 1966 to 93,000 in 1971, a drop of 72,000.

A land bank program associated with the above program can have some positive effects, especially as a means of dealing with the land crisis, as is evident in Kent County, or, to some extent, affecting land use policy. There are also negative effects, however, as has been proven over the last five years with land banks, such as the speeding up of rural depopulation, the possible effect of depressing farmland value, and encouraging overinvestment in land relative to more productive assets. When used in conjunction with deliberate attempts to encourage new entrants, land banks can be an even more effective means of assisting in agricultural development.

The government Farm Start and loan programs in Saskatchewan have attempted, to do this. Those programs are designed to help new entrants and diversification in expanding agriculture. They also involve a rather unique loan repayment program. So a farm start program oriented to getting more people into agriculture may have some positive effects. It is too early to tell whether such programs as the one in Saskatchewan, run in co-operation with the small farm development program, will do more to assist established farmers and father-son transfers than they will new entrants with intermediate and operating capital needs. With few exceptions, the major thrust still evident in agricultural policy and programs is adjustment, not development, and there is a great deal of difference between the two. In the main, the effects of what is on the drawing boards now, at best, are a slowing down of the trend in farm numbers and rural community depopulation and deterioration.

Is this trend inevitable? I do not think so. There are a variety of reasons for that belief. There have been no convincing arguments put forth in recent time that we are in a chronic surplus position. In fact, there is much evidence that the opposite situation has developed and persisted since 1969, and that the real challenge which now exists is to more nearly meet the rapidly expanding food demands of Canadians and a growing demand in the world market, especially due to affluence, for animal proteins and other products, including processed egg products and others.

I have seen no convincing evidence in the last five years that enlarging the farm size is the key to improving farm viability on the majority of farms in Canada. In fact, there is ample evidence to the contrary. The evidence indicates that there is too much land in farms as compared to the level of livestock and other intermediate and working assets. In other words, we have fallen into this trap of policy of composition that farms are big because they are successful. A farm is not necessarily successful because it is big. Successful farms are big because they are successful. To be successful does not necessarily mean that you have to be big. In fact, a good deal of our experience points out that farms that got too big too quickly were not able to handle the situation and consequently had really severe problems. If we see a big farm with higher income we say, "Okay, you small farmers, in order for you to be successful you have to be big!" Yet, the big guy was small at one time, in most cases.

As I say, there is too much land in farms relative to production assets, and this is particularly true in the Maritimes. Just to stress that, if you look at the total capital structure of many farms in Kent County, and elsewhere, you will find a very high relative investment in land as compared to production assets. As a consequence, there is a low return on investment because there is not sufficient investment in production assets on many of those farms. Fortunately, farm supply firms and commercial banks have stepped in to fill some of this void which exists in working and operating capital, even though this means a more vertically integrated system in some cases. This is felt by some farmers and many farm supply people to be undesirable. Despite all of the agricultural programs, some of which could be improved and made effective if reoriented—and I am thinking of price stabilization programs where we use 80 per cent of the last 10 years' average which, in an inflationary economy such as we have, means nothing. It means we would have to have a depression like that of the thirties before the government would step in and stabilize prices—despite these programs and regional development efforts which, while often rural in name have basically their thrust and most of their budget attached to urban industrial development—this has been a priority area, and in fact, deliberate attempts are made to move people from small rural communities to these urban growth centres—there has been a real void in focusing in any meaningful way on improving the small rural communities or the quality of life of the rural population.

To me it is equally if not more important to improve life in our rural areas. Sure, there is a need for improving the occupational viability of farm people, but we are also social animals. Farm people are social animals. They want to reside in areas where there are some social activities, social amenities and social services.

So when I speak of credit and risk capital needs, I am not speaking about credit programs such as I have just discussed: I am thinking of credit programs for part-time farmers and new and young farmers which do not require 30 per cent equity in order to buy land. Land is a minimal risk proposition now. It is ridiculous, in my view, to require 30 per cent equity on mortgage loans. I am thinking more of credit programs which address themselves to improving community facilities, improving such things as public facilities and services, rural enterprises, and real estate and operating loans. Also, they should be aimed towards integrating agriculture with the rural community, of which it is a part, and the need for planning, financing and development of facilities and services in rural areas which would contribute to making these areas desirable places in which to live.

We also need programs aimed towards the encouragement of private business investments, including agriculture, to provide increasing intercommunity dependence, increased employment and income, development and use of land, water and other natural resources, including the human resource in these rural areas, thereby enhancing the quality of the environment for people and business in rural areas. The processes, procedures and policies which have these objectives, I consider to be developmental both for agriculture and rural areas.

The *Reader's Digest* article spoke of a renewal of the tough innovative spirit in the agricultural and rural communities. Most would agree that the key to turn-around in any economic or development endeavour is the spirit of the people. If you read all of the books written on development, you will find that the one thing usually presupposed is the spirit of the people, the heart of the people.

I would be the first to admit that in some areas of the Maritimes, including Kent County, this spirit is in bad need of repair, even though there are a few success stories in attempting to turn this around. Motivation and spirit is a complex social, psychological affair. I do not pretend to have the answer, especially after rural people have been given the promise that there would be development. They have been promised that others are concerned about them on a number of occasions, only to have their aspirations dimmed by ineffective, bureaucratic or over-administered programs. Such things can do great damage to real attempts now to turn it around.

Many people in the rural areas are skeptical, and they have a real right to be so. My concern is that governments at the federal, provincial and municipal levels can, through their attitudes, leadership and legislation, enhance the spirit of a people or, conversely, can effectively retard or even destroy it. The failure to understand, appreciate and communicate the importance of agriculture in food production in Canada's economy by officialdom in the last five, ten, twenty years, and even today, has not had a positive effect on the spirit of these people, although in recent months there has been an attempt by the Minister of Agriculture to do this. The belief and communication of the view through legislation that the problem was too much production, too many farmers, has not helped either, and that has been deeply imbedded for ten years into the minds of most rural people. Even recently, when officialdom voiced the need for more production, other senior government officials were suggesting this was needed to reduce prices, so we were wondering what we

need to do to get farmers interested in expanding agriculture under high prices. At a time of cyclically high prices, high interest rates, high livestock herd prices, when it does not take any imagination to see that the bigger arm of government is hoping for moderation in food prices, any farmer investing is crazy.

I could go on at length about how the rural spirit has been affected by solid actions to improve social services and housing in urban areas. You see, when you improve and make a deliberate attempt in Moncton to improve the social security things, housing and so on, it is a very important drawing card for people in Kent County. As some of the people in Moncton go on welfare, the labour from Kent County goes in there, works at lower wages for a time—usually it is seasonal—but it is a pull, a tremendous pull. All of this has discouraged investment in rural areas, directly encouraged movement out of rural communities and facilitated further deterioration. Anybody who makes an investment in a rural community and sees the pattern of focus on urban areas attracting people knows that his asset is not going to appreciate.

I could go into this in more detail, because I have a copy of one of the most recent rural development plans for the lower St. Lawrence, Gaspé, la Madeleine area, which is primarily rural; but the major thrust and the major expenditures in that program are for urban renewal, urban improvement and movement of people from rural areas into these urban centres. That does have an effect.

What I am getting at is that we have tended to separate farm rural from urban, taking a few little programs from one place with a major thrust in another place going on simultaneously. People are smarter than that. They know what is happening in urban areas, and that is influencing their pattern of mobility and where they go to live. If the social amenities and so on are better in urban areas than in rural areas, that is an important drawing card. Therefore, you cannot separate farming from all the other things that are going on.

I come back to the way out. There are many things one could talk about as they would relate to a specific area, but overall there are three approaches that one could simply list. These are the present thrust of agriculture in regional development and policy by governments, which, while having some positive aspects, basically amount to, at best, a slow down in the trend and require extraordinary bootstrap efforts at the local level by the local people themselves if there is to be a turn-around. It is even tempting to speculate on whether the job of development might not be easier if many of the present attempts were abolished completely. I say this in all kindness. I include abolishing many potential agricultural programs, commodity programs and farm credit programs, despite the obvious good intentions of all concerned.

Let me elaborate on that a little. We have taken this thrust in agriculture policy—commodities, national policy for dairy, national policy for feed grains; there is great interest in looking at commodities right across the line, not communities and integrating agriculture with that community. By doing this we have done grave things. We have tended to over-specialize and restrict entry and so on, and to forget the core and intermeshing that is necessary between an agricultural area and the rural area of which it is a part. Commodity programs with a national thrust have had some very bad consequences on rural areas, if

we look at the effect of those programs on rural community deterioration.

Doing away with some of these programs might boost the spirit, and especially eliminate the paternalistic approaches rampant in agricultural departments. Means and help are really needed by local people on many fronts. Most of all is the need for a public awareness of the mess and a public commitment to really help, not just in programs for rural areas. Public action in other areas—cities, industrial strategy and social legislation—is also neutral with respect to rural community development. The design of programs is difficult, but perhaps the process is even more important if we are serious about building rural communities.

I think there is a need to do more of the things that you did by going down to Kent County, if I might be so bold as to suggest that, so that people are able to talk to you and you are able to understand their needs. The local people often have the best notions of what is needed to bring about improvement, and in many cases they are very simple, they are not big budgetary expenditures; they are simple little things such as encouraging the people in the community to talk to each other. People in some farm communities are not talking to each other any more; they are divided, separated, alienated. There is need to be special rural area oriented in program design as opposed to national commodity oriented re agricultural development. There is a need for integrated rural community development. For too long, under the urging of farm organizations and rural people themselves, officialdom has developed programs to raise farmers' incomes, which in most cases have resulted in the deterioration of the quality of life in rural areas. There is now a social and economic justification for this being reversed and rural communities developed in the public interest, including the interest of all urban people.

The Chairman: Thank you very much, Dr. MacEachern. I am sure we are delighted to have you here this morning. You have done a good job in your presentation in outlining some of the problems and indicating some of the actions that might be taken.

For the record, and to point it out to you, let me say that our terms of reference are quite broad, and we wish to consider recommendations that might be useful in the interests of securing and maintaining viable rural communities. The terms of reference go on, as the fifth point, to refer to farm units of a kind and size consistent with the objectives that are listed. In other words, we are not tied, as a committee, in our terms of reference to wanting what is now considered an economic unit. In our terms of reference we are able to consider the kind of things that you have suggested to us today. I know in the public mind, in many places, the Senate is not considered very progressive, but we think we are doing a very progressive thing here. We think we are doing something in the interests of rural Canada, in exactly the same way as you are trying to do it. We may not be as successful, but we are trying to do it.

You mentioned the dairy policy and the result of having 70,000 farmers out of the dairy business. I think if you look over the records of the House of Commons and of the Senate it will be found that in the Senate there was more opposition to this minimum dairy quota for butterfat than there was in the House of Commons, where they seemed

to accept the general direction of the program. In the Senate there were many senators who said the results would be exactly what the results have been, that all you did was squeeze out the little guy.

In my country in Western Canada there are people today shipping cream who do not have a quota and are taking the lower price without the subsidy. What is wrong with a program that provides a subsidy for the person who ships a lot of cream and no subsidy for a few conscientious people who need a few dollars and are still staying in the cream business?

As far as LIFT is concerned, which I think everybody now with hindsight would say had much to be desired, again, at least initially, the response in the Senate was that this kind of a restrictive program had much against it and should not be undertaken.

I wonder if I might open the discussion by asking you, if you can, to spell out perhaps in a little more specific detail what might be done to encourage a young person who does not now farm to get into the farming business, so that it could strengthen the rural communities and have more farms. We found in our tour of Eastern Canada, going down to Moncton and Kent County—and I think this is our experience in Western Canada—that there is a revival of interest by young people in agriculture.

Young people today have a different attitude from older people as far as agriculture is concerned: they respect rural Canada; they respect rural life; they respect the soil; they respect the environment; and many of them desire to become part of rural Canada and would leave the cities if they had the opportunity. Could you tell us, in a specific manner, what might be done?

Dr. MacEachern: There is a tendency that I try to stay away from in talking about specifics, because there are many specific things which can help. The primary reason for my young brothers having trouble in getting into agriculture is that they do not wish to enter an activity which in four or five years from now, through government action, whether or not with good intent, may destroy their livelihood. This can happen.

Senator McGrand: On the land, do you mean?

Dr. MacEachern: Yes. The young people I talk to who wish to enter farming want to know, as a public represented by government, if there really is a future on the land in which they can believe. They are not getting a very clear message from any level of government, particularly at the provincial level in the Maritimes. It is couched in a very confusing way. Governments are so active in many aspects, and while I am by no means conservative in philosophy it is important to know that steps are not being taken that will destroy that livelihood tomorrow, next month or next year. One does not invest money in an area if it is thought it is going down the river and everyone else is leaving, especially in the case of a young man with children who wishes to educate them and also get something out of life. He wants to know if the trend is in the right direction and he will be going down the right path. There have been no serious statements by governments—and by that I mean all, whether opposition or otherwise—that there is a need to develop rural communities so that they will become a better place in which to live and offer an opportunity. If the young people do get into poultry,

they should have some assurance that they can sell their products. It is not that easy to obtain a dairy quota any more, or to enter the broiler or egg business. All that is left is beef, and I do not know how long that will be the case. We are faced with these rather discriminatory restraining programs necessary to maintain the viability of farming. People are looking for honesty and commitment on the part of government to encourage them to get into farming.

Senator McGrand: A tendency to endeavour to encourage. You see, there are young people who wish to go on the land or to return to the land. They have the problem that they wish to earn money. Wages in the cities are high, with a shorter work week, five days and maybe four days after a while. They would not experience the weather hazards in the city. I am afraid that a desire to return to the land could only be temporary under those conditions.

Dr. MacEachern: Senator, in my analysis, for 20 years, and especially during the last 10 years, there has been much done to improve the quality of life in urban areas, including working as a public servant. Relatively non-productive work, such as teaching, which I did for a while, has been remunerated very well. Our service price structure has increased phenomenally compared to that for those producing goods. Young people are taking a look and saying it cannot go on, as we have supply shortages. Whether we need a great depression to bring this adjustment about, we have an acute problem in this, with service personnel, such as those collecting statistics in DBS, making more money than the top 10 per cent of the farmers. So we must see that our people have a better trade situation for goods. Look at what is happening to energy, wood and food prices and so on. We have a shortage of basic product. They must see this turn-around. There is no way that this country can afford to maintain the level of services it has, considering the basic production levels.

Senator McGrand: I agree, but my worry is: How are you going to convince people that this is necessary, when we have the history of what has gone on during the last 30 years? The average young man in the northern part of Kent County would trade his job very quickly if he could get a job with the CNR in Moncton.

Senator Michaud: They would do it for less than that. They would do it for a general job in the public garage, and they have done it.

Dr. MacEachern: You see, we have created this, senator.

Senator McGrand: I know we have.

Dr. MacEachern: And then we wonder why people are leaving.

Senator McGrand: We always talk of growth centres. Moncton and Bathurst have been designated as growth centres. It seems to me that any 100 acres of land at any crossroads in New Brunswick that could be kept in production, or any 100 acres that could be put into production, should be regarded as a growth centre. Do you agree with me or not?

Dr. MacEachern: Our mistake has always been that in our accounting we have not valued what it means to have an acre of land in productive agriculture. We have always thought it would be better if there were a filling station on it. We have calculated that 42 per cent of Canada's gross

economic activity is agriculturally based. It has one of the highest multiplier effects of any industry in Canada, not directly, but directly and indirectly. If you look at an acre of productive land and consider what it means to the public and the country, as opposed to forestry, you have a very different result. It is three or four times the benefit from the land in production, if it is suitable for agriculture. We fail to appreciate what it means to our basic economic structure. We hold the view that as the country develops there will naturally be fewer on the land and more service and manufacturing industries. The progress we make is measured by the smaller population on farms. This is regardless of the fact that Canada is basically a natural resource country. That is why the standard of living is at the level it is.

Senator McGrand: I remember when President Kennedy spoke here about 12 years ago he boasted of the fact that the food in the United States was produced by about 8 per cent of its population, as compared with Russia, where about 40 per cent of its population produces its food, and that was considered a great achievement. I agree with you.

Dr. MacEachern: Returning to Senator Argue's comments specifically, one point is that we must have some risk-taking in encouraging young people as new entrants into farming. There just must be some risk associated with it. In my opinion, there is not much risk in investing in a young man who has some training and may be 24 years of age. His life can be mortgaged, if considered necessary. I do not see the need for 30 or 25 per cent of equity being necessary and unless a \$200,000 loan is requested the applicant is not considered to be viable. Many of these people need \$3,000, \$4,000 and \$5,000. I do not even see why we cannot have 90 per cent, 95 per cent, even 100 per cent on land, real estate. That is good investment—buildings, chattel mortgages on cattle and so on. The farm credit government people, however, have got into the zero risk category. If you try to buy land out here, toward the Shawville area and thereabouts, and it is not a big farm, you will not obtain funds from the Farm Credit Corporation unless you follow a two-year plan which they say is productive. I have checked it out, and as far as I am concerned it is not productive. If they do not lend the money, an attempt must be made to obtain it from an urban investment company or bank. They are reluctant to lend because they just consider they are taking up the poor risk that the Farm Credit Corporation did not want. I am not being critical of the Farm Credit Corporation, but their bad debt losses during the last five years have been lower than a telephone bill, so there is not much risk-taking involved. Now, if our government credit agencies do not take risks on young people on pretty solid assets, it is not as likely to get the banking community to take that same kind of risk unless there is a line of credit, which they have been discouraged from getting into.

So, loosening up our credit programs, let us say we have 5 per cent bad debt losses. Losses must be compared with benefits. If the benefits outweigh them, that is another thing. Many good young people want to farm. I have three brothers, and one is doing it now. It is not easy, especially with the father-son hangups that we have in the Maritimes, where you do not take over the farm until dad's about to die. These old Scots men from where I come don't want to work this out until they have one foot in the grave.

Senator McGrand: In food production, the deficit in the Maritimes is increasing about one per cent a year.

Dr. MacEachern: The deficiency.

Senator McGrand: Yes. What items would they be?

Dr. MacEachern: A whole bunch of things. Eggs, everything except potatoes—apples, grains, forages, meats. There is now an interest in developing beef there. Unfortunately, one of the things that has happened is that they are producing great feeder cattle, purchased in southern Ontario, finished up here and shipped all the way back as beef. Again, this is a commodity approach to development. The same is true of Gaspé and parts of Quebec. We are supplying some of the best F-1 cattle as far as Kansas and Oklahoma, yet the province is 40 per cent self-sufficient in beef.

In Nova Scotia they have developed a very good feeder business, Ontario buys them, takes up, finishes them up, and ships them back down. This does not make economic sense. They finished up in Ontario.

Senator Fournier (Restigouche-Gloucester): And they are sent back to the Maritimes.

Dr. MacEachern: That is right. What is even more sad is that plane loads of calves are going to Holland to be finished up, and shipped back in the form of veal.

Senator McGrand: Why is that? What are the economics of that, where cattle go to Ontario for feed lots, and so on? Have we a physical handicap in the way of soil or weather in the Maritimes that tends to foster that sort of thing?

Dr. MacEachern: It is much cheaper to move grain to a port in Halifax, and so on, have your feed lot there and finish it, and move the cattle. There is great stress in weight loss moving them that distance and shipping the meat back. The major factor involved is that because of a shortage of credit to finance a feeding operation, and the farmer wanting quick cash to pay his bills, it is attractive for him to sell his feeder cattle. I do not think it has anything to do with soil. Right now the economics are for more forage feeding out than grain feeding out.

You have good transport facilities down there. There is not too much grain storage, unless for export. But it does not make sense, unless there is lack of interest in feeding. Farmers who are producing feeders need the money. They do not have the credit to finance a feed lot operation. It is a credit problem. Banks are reluctant to finance feed lot things. The Royal Bank has become a little more interested in it, but Farm Credit is not too interested in it.

Senator McGrand: I do not like to monopolize, but I want to ask a few questions. I have here *The Competitive Position of Maritime Agriculture* by the Atlantic Development Board. I asked you a question about climate. On page 50 it says:

The temperature of the soil may also be used for this purpose of comparing the length of growing seasons and the probable rate of plant growth.

The Canadian Department of Agriculture reports the average monthly temperature, as measured at a depth of 10 centimetres, at several experimental stations including those at Harrow, Ontario, and Fredericton. Relative to heat, the soil on the farm at Fredericton is substantially

and continually disadvantaged in the temperature for germination and growth of crops. The publication says further:

Coldness is another feature of temperature that should be noted. This is measured by the temperature and wind combined in winter, that is, the windchill factor. Thus, although the ocean environment moderates the cold temperatures during the winters, the average winter climate as measured in windchill is colder in the Maritimes (except Halifax) than in London or Calgary.

It then gives a table of the temperature of the soil at Fredericton, and Harrow, Ontario. In the month of April, Fredericton was 5.5 degrees lower; in May it was 4.2; in June it was 9; in July it was 5.5; in August it was 8.5; in September it was 9.3; and in October it was something over 6.

He says, on page 52:

Generally, in the Maritime provinces, lack of light or sunshine, as well as low temperatures, is a significant limiting factor in crop production. The Maritimes tend to be less favoured with bright sunshine during the June-August growing period than more westerly provinces having as much as 10 to 20 more per cent less bright sunshine.

I want to know whether or not you think that is a factor.

Dr. MacEachern: I am familiar with that study. All I would say about it is that it was done in haste. We analyzed the data very carefully in looking at Newfoundland, whose problems are often looked at by officials who have no business being in agriculture, and who regard its climate as being one of the most favourable. One of the great things in the Maritimes is that God gave them dew, so the thought of drought is not as severe a problem as with many others.

What I am saying is that in the Maritimes you have a variety of soils, a variety of slopes, and soil temperature and other things are important. But it is one of the better places for forages, cold crops, and for a wide variety of things that are basic. They are growing corn down there and some oats. There are areas on the northern slopes that might not be so attractive, but I would think that climate is not a factor of any significance for the bulk of agricultural produce.

The Chairman: I would not know how cold temperatures in the winter would prevent a good crop in the summer. The area close to Calgary, where they have high temperatures, is among the poorest areas for grain production. I would agree with you, Dr. MacEachern.

Dr. MacEachern: There is a whole bulk of things. I used to be employed as supervisor of an illustration station, or a demonstration unit. I worked in P.E.I., and Ottawa, and, for four years, in northern British Columbia. The Prince George area has a rough climate. It is a tougher place to make a living in farming than the Maritimes, but they are making progress. At the time when the gap between technology and its application was slowing down, there was an argument that demonstration units were no longer useful, and basically they have been stopped.

I think that demonstration of what is possible through better farming practices is what we need today. We need,

in eastern Ontario, Quebec and the Maritimes, a demonstration unit to show farmers how they can heat their own homes and generate their own electricity through producing methane gas from hog manure. Twenty hogs can produce enough methane gas, in a septic tank concept, to heat a home housing 12 people. We have no demonstration units for this. It can be produced in the West at 37½ cents per 1,000 BTU's compared with about 57 cents for natural gas. There is all this talk about an energy crisis, yet we do not have demonstratable units showing how you take the pig manure from 20 pigs and generate enough heat for homes.

Senator Norrie: Does that capture all the smell connected with raising pigs?

Dr. MacEachern: No. If you take the fermented manure from those 20 pigs and add yeast to it, you can produce high protein chlorella. Taiwan has been doing this for a number of years.

Senator McGrand: What is that exactly?

Dr. MacEachern: That is animal feed, equivalent to fish meal or soya bean meal.

Senator McGrand: And you can feed that right back to them?

Dr. MacEachern: That is right. That is one example of what technology offers. There are others that are possible in terms of systems. If you take a look at some of these cost production studies, you will see investments of \$20,000 needed for buildings to house 50 beef cattle. There are structures now selling for \$4,500 that are capable of housing 150 beef cattle. So when people present figures showing cow-calf production in the Maritimes for 100 head is running at a loss of \$4,000, you have to take a little closer look at it and find out why. When you take a closer look you will find that some very interesting accounting concepts are used which, in my view, are not applicable in true accounting. In addition, there is some very crude averaging being applied at high inflation on the value of land and buildings on the farms. It is very easy to show, from these cost production studies, that people are losing money. However, when you take a little closer look you will find that they have a pretty good net worth, a pretty good bank account, and you have to ask why. You have to determine whether the accounting procedures are accurate, or whether the farmer has something up his sleeve.

Senator McNamara: Mr. Chairman, I am very naive on this subject. I have never been a producer, although I have been associated with farming. I wonder sometimes if we are attacking this whole problem on too wide a national basis. I come from Western Canada where the tendency is to larger farms. That is also true of the grain-producing farms in Saskatchewan, where you come from, Mr. Chairman. With the new methods employed on those farms we have practically conquered most of the hazards of the thirties. The producer needs \$50,000 or \$60,000 worth of equipment to farm efficiently on this new basis. However, there are entirely different problems in the Maritime region or on dairy farms, or chicken farms, as are prevalent in Western Canada. Would you not agree that this study cannot be handled on a national basis, that there are very different problems in different areas of the country?

Dr. MacEachern: The thrust of what I am trying to say is that if we seriously wanted to develop our agriculture—which I think is what this exercise is all about—we have to keep in mind agriculture in rural communities and that it is area-oriented. The Maritimes may be somewhat unique, but even in Saskatchewan—and the Chairman can correct me if I am wrong—I find the argument by farmers based on the studies that show that they would get greater return by increasing their input on land rather than more land, and they say, “Look, I only know how to farm a certain way so, rather than improve my ability to more intensively farm, I just get more land.” In other words, I think one can argue that in parts of Saskatchewan it is too much of a concentrated, specialized operation for sound agricultural development.

There is an area focus here. We get into this idea that: In this area we grow grain; in another area, a thousand miles away, we have feed lots; in another area, a thousand miles away, we have cow-calf operations.

In my view, if an agricultural community is to be viable, it has to have some grain production, some forage production, some feed lots from which you can get the manure for that land, thus eliminating a massive pollution problem. This manure should be put back on the land as fertilizer rather than having this massive build-up of fossil energy going into agriculture each year. If you look at the pattern over the last 20 years, you will see we have become greatly dependent, whether it is corn production or whatever, on fossil energy input. Similarly, we have these massive pollution problems with concentrated feed lots, poultry, eggs, cattle, and so forth, outside of Toronto, Montreal and Winnipeg.

We have gone this area way. We have maximized rail movement between the points instead of taking advantage of the linkages. There are many areas in Saskatchewan and Alberta which are suitable for greenhouse production of fruits and vegetables. Greenhouse production now is relatively efficient with these plastics. Methane from manure can be produced to heat these greenhouses. If there were some hogs close by to generate some methane which could be used to heat these greenhouses, the people in Humboldt, Saskatchewan could buy fresh vegetables year round. In recent months we have imported 16,000 tons of cucumbers from as far away as Mexico and the West Indies. It is not only tropical fruits which we import.

Senator McNamara: I would agree with that but, again, I think Saskatchewan has to be broken down into different areas. There are many areas in Saskatchewan where wheat farming can be the only really successful agriculture enterprise. In other areas, such as the Caribou River Valley, cattle farming can be successful. I do not think we can generalize.

The other question I wanted to ask you is whether you are aware of other countries which are tackling this problem more efficiently than Canada. I am sure you have done such studies. I am not thinking so much of the United States, but rather of a country such as France, which seems to be developing its agriculture retaining its model farms and farm units. Do their credit policies and other policies work more efficiently than ours?

Dr. MacEachern: I am not familiar with the situation in France, senator. I know they do have an interest in keeping the dispersed family farm structure. The place where I

think we could learn a great deal, especially in the Maritimes, is to just take a planeload of people to some of the Scandinavian countries, such as Holland and Denmark, where the output per acre is much higher than ours. The Danish people are the world's greatest competitors in hogs, yet their grain comes from North America and the product comes back. They look at our land costs of \$15 to \$25 per acre, such as it is in Kent County, whereas they are talking of land values of \$1,500 and \$2,000 an acre in Denmark.

Senator McNamara: Do you think their government credit programs are doing more to keep young people on the farm and to keep the small farm intact?

Dr. MacEachern: Again, senator, I am not really familiar with it. I do know that their technical training approach is much better than ours. My folks' neighbour in the Maritimes is a Dutch family, and the technology that they brought to the Maritimes on how to produce pigs is nothing short of amazing. They have brought techniques to the Maritimes on how to use manure in the fields. The agricultural community in the Maritimes has benefited tremendously from the training they received. In their schools they emphasize technical training, whereas our schools are more suited to training people such as myself to go out and work in aspects other than agricultural farming.

I myself attended Prince of Wales College, Nova Scotia College of Agriculture, Macdonald College and Purdue, and, based on my experiences, I do not think I would satisfy a farm credit appraisal on my knowledge of taxes, management or other things that are required in order to qualify for a loan. One of our young staff members has left, hoping to go into farming. He is a very competent young fellow who has his Master's degree, yet he does not seem to be able to qualify as a new farmer. That depresses me a little bit.

Senator McGrand: The Maritime provinces do not suffer from physical handicaps. That is what I am trying to get at.

Dr. MacEachern: That would be my judgment, senator.

Senator Fournier (Restigouche-GloUCEster): I think a good example of that is that people from such countries as Holland and Denmark can come to the Maritime region and, because of the different technology, can be very successful. That proves it can be done.

I think you have hit the nail on the head, Dr. MacEachern, as we say, regarding many of the points brought up today. You have given us some real food for thought. You have given the committee something to work on.

I was always under the impression that many of our agricultural policies, many of which are good in a sense, seem to be contrary to the concept of small farms, especially as it applies to Eastern Canada. I think that is probably where we should start.

At our meeting the other day two important questions were asked. First there was the question of where we are going, but the comment was made that before we know where we are going we should know from where we start. Probably we should have some kind of program started. We have to adjust our national farm policies if we are to make a success of small farm units. As was said, people want to get away from farms, or want to get away from

the country. But they do it unnecessarily, and if they had a chance to come back many people would return to the farm, but they must be able to make a living.

Dr. MacEachern: Perhaps I could make one comment. For a number of years, particularly in 1969, we have been invited by federations of agriculture and the ministers of agriculture, in New Brunswick and other places, to address them on development opportunities as factually as we could. I can remember addressing the whole New Brunswick Department of Agriculture staff in 1969. I was hoping that they would produce evidence of why it was unprofitable not to develop agriculture in that province. The attitude was very pessimistic, as I recall. I was distressed that the next man in the program, who was from Alberta and was in community development, had a program to reduce the population in most of the rural counties of New Brunswick, particularly Kent County. Obviously, my impression was not very great, but subsequently there was the same message. There has been no hard information on why not develop things there.

We have just done some work in the Gaspé. In the Gaspé there are some of the best farmers in North America; these are some strong individual people, good livestock men, and it takes a special man to be a livestock man. After a great development effort for a number of years no progress was being made; the consolidation program with dairying was not progressing. We asked them what the problem was. They said they had no markets, they did not know where the markets were. The farmers asked, "Where can we sell? Where can we make the money?"

One of the things happening in the Gaspé was that the railways and the trucks came in with products from Montreal, went around the peninsula, picked up the stuff on the way out to Montreal for processing, whether it was beef or whatever it was. This was the circle. Right nextdoor to many of these communities, on grocery store shelves there were products with high wholesale prices, often 10 or 15 cents a pound higher than in Montreal. What we try to do is to get that farmer or farm group, the UCC then, to get talking to the grocery man who buys, or the food service establishment buyer, because he has to buy fruit and vegetables.

There was no focus on linking up within the Gaspé community. People were spending over \$100 million, farmers were producing about \$40 million worth, most of the \$40 million was going out, getting lower prices in Montreal, and other products were coming back in. They thus get isolated from what is happening in the market. All they needed to know was who the buyers were, where they were. There were New York buyers who would come up and take 10,000 veal calves. In the Gaspé sad things happen. They are selling three-week old calves at 90 or 120 lbs. to be butchered for veal, whereas they should be producing them to 300 or 350 lbs. and getting premium prices for them.

Senator McGrand: As a member of the Poverty Committee I am interested in the Gaspé. What counties in the Gaspé do you refer to? There are several of them. Which county would you be thinking of?

Dr. MacEachern: What is called Region No. 1, right around there, the south shore.

Senator McGrand: I think the better part of it.

Dr. MacEachern: I am trying to point out that there was no community focus. The people were not linked up and were missing the opportunity.

Could I be so bold as to suggest that there is a void in Canada at trying to get a real awakening and awareness of the need for rural and agricultural development? If this committee, by holding some hearings around the country, could stimulate that interest, as you have in Kent County and New Brunswick generally, I think you would be doing a great service. The reason I wrote that little article was to try to get a public awareness.

There are studies and people doing work all over the place, but we need the impetus to show that somebody cares, the feeling that it is now profitable for this country to look at a new population policy, that Toronto, Montreal and Vancouver have reached the limits at high social cost, inflating environments, high land prices, housing problems. We focus all our attention on improving the situation caused by the low-housing problem in Ottawa, but all you do is attract people in from Lanark and make the problem worse, so we have to worry about Lanark and other places.

I am not able to do it in the short amount of time available, but I do not see anybody looking at this rural community development, examining where agricultural development ties into it, breaking away from this national commodity specialization, increasing interdependence, and breakdown of our system when we help people who have problems with their anchovies and are in a panic elsewhere because there is no animal feed. It is the same thing with energy, with a breakdown in this very complicated, interdependent structure so that we have problems. I think the answer is closer intercommunity development.

The Chairman: I thought this was what ARDA was supposed to do.

Dr. MacEachern: If one looks at ARDA and its history it seemed to start out that way, with an emphasis again on land. Watch this bias to land, always the bias to land in our development programs. Land is important, but ARDA has moved away and said we need to consider bigger regions now and growth centres. That is the trickle-down effect. If you improve Fredericton, the idea is that you will somehow improve Kent County. But you do the opposite: you attract people to Fredericton, and you do not develop the rural areas.

Mr. Chambers: You have mentioned the problem of land a number of times. This is obviously not what the committee will recommend. Suppose they nationalized Kent County. Can we eliminate the problem of land by that kind of action, so that what the farmer needs when he sets up is not capital for equity and land, but operating capital, capital for equity in his buildings and these kinds of things? Can it be usefully eliminated, to the social profit of the whole country?

Dr. MacEachern: I would think in some parts of Canada this land thing is in a crisis state—parts of the Fraser Valley, maybe in Kent County, parts of P.E.I., parts of Southwestern Ontario and Toronto. The idea of nationalizing anything is not what worries me. I just think of the psychological impacts it would have. Maybe we could insulate ourselves if we nationalized everything. What we

have to think about when we nationalize things is the psychological impact on the kind of businessmen and independent people that there are in farms.

There are also the problems of governments who nationalize developing appropriate criteria for who gets it. Nothing can breed alienation faster, as is evident in P.E.I., than thinking, "Somebody is getting something for nothing, and I am not getting my share." You can destroy a community in 12 months with that kind of approach, the idea that there are give-away programs, and they are all fighting among themselves within the community about who should get what. This has happened in P.E.I. very seriously.

The Chairman: Just now.

Dr. MacEachern: So, the measures needed to avoid this crisis are one thing. In terms of the long-term, I do not think there is such a thing as solving any problem.

Senator McGrand: No.

Dr. MacEachern: It is only a matter of intelligent choices, and often their solutions create bigger problems. I like to think that there are means of encouraging young people to enter an occupation such as farming and live in rural communities which have some social amenities to them. Many of these are publicly but unequally provided now, especially to small rural areas. I mean such things as education, sewage and so on.

Mr. Chambers: Including the infrastructure.

Dr. MacEachern: Infrastructure is another of these planning words, you see. To many people that is engineering, roads, steel, electric wires, that kind of thing. They are often provided just to improve the flow of people out of the area.

Mr. Chambers: That is often the result.

Dr. MacEachern: Yes, but local people must become involved in human development and local resource development. It cannot be done from Ottawa.

Senator Fournier (Restigouche-Gloucester): I would say that 15 or even 10 years ago there was a movement to get away from the rural community, especially on the part of those who wished to acquire education. They could not afford to have teachers and schools. However, in New Brunswick since 1963 and 1964 the system has been changed entirely. Now, whether living in the back country, the town or the city, schools and the very best teachers are available at the same cost, so that factor is eliminated.

I think we should be able to have, as you say, an integrated system, with an area rural-oriented as long as we have some community that would be satisfactory for living, and provided agriculture could be made to pay. We have the opportunity to do that now in view of the price situation. I think there is a future for small farm units, if we introduce a system that can interest people and especially young people to return to the farm.

You mentioned that probably part-time farming would be a means to interest people, and instead of having \$50,000-mortgages on farms, probably \$5,000, \$10,000 or \$15,000 would be sufficient to enable people to start. I know that some of the farmers ten years ago, while they had the opportunity to enlarge their farm and obtain more

credit, just went into debt and have now disappeared. Instead of helping them, we just put them out of business. They became so deeply in debt that they could not afford to pay the bills and they quit the farms to get a job in order to earn money. That has been our experience.

Dr. MacEachern: I have two comments in this connection. First, I think it would be wrong to start with a presumption that farming, even small-time farming, is not profitable now. Some important changes have occurred and we are now in a different pattern. I also think it would be very bad to start with the proposition that people should be paid to return to farms. There is a great interest now, and if they have access to indiscriminate programs this would be important.

I do not think it is all a matter of farming. If I were to live in a small farm, rural community I would like to think that there were some arts people with crafts and a different, heterogeneous group of people to form the community. I would like to see a credit union and maybe an agriculture representative. We are talking about a community. We should encourage a few businessmen and a farm supply firm to locate nearby, assisting with fertilizer, feed and other problems. So, in my opinion, it is a question of the one mix that makes that community function and fun to live in.

Right now in some areas there is a problem of those who wish to return adapting to the way of life thought to be appropriate by those now there. In this corridor between Windsor and Quebec City clashes occur constantly through people going out to the rural areas who do not like such things as the smell of manure, for instance. They pass zoning by-laws preventing the spreading of manure. Education is needed for former urban residents as to how to adapt to a rural environment. This is not to say that the farm community have all the answers. They must become a little more conservative, open and empathetic toward youth and working together. In my opinion, however, it is really a very simple matter to encourage people to develop rural communities. The process we employ in going about it is always important so that we do not turn people off.

The Chairman: Senator Fournier also suggested that as assistance in developing rural communities, and perhaps desirable in itself, a small farmer should be able to take a part-time job in the city. In other words, he could be a part-time farmer and still have access to some of the programs which would be available for him now if he were a full-time farmer. In other words, in establishing a rural community we perhaps should not insist that to be eligible for government assistance, et cetera, a person must be a full-time farmer. If we not only allow it, but encourage people to supplement their farm income by some off-farm activity, this might be helpful in maintaining a rural community. What would your comments be in that regard?

Dr. MacEachern: I would concur in that. In my opinion, we have taken a very clubby, elitist approach in farming. A man had to be full-time to qualify for these benefits. If I were to enter farming now, I could become viable by working part-time, maybe writing papers for a Senate committee!

The Chairman: Hear, hear!

Dr. MacEachern: But I must make a commitment that by the time the loan comes I intend to engage in full-time farming. I would love to do that, but where would I get the \$40,000 equity involved in it? So we have shut out many under the idea that we have to look after the full-time farmers. However laudatory that may be, I think it tends toward a club approach. We have very severe club approaches in connection with commodities such as eggs and other commodities. To be admitted to the club you must pay your fee, which is pretty high if you wish to get into the egg or dairy industry now. It is not the cost of the buildings and so on, but the cost of the quota to get in. Nothing has been more injurious to a healthy agriculture than the establishment of high quota values, artificially increasing the cost. It is disgraceful. There is no way you can come at it any other way.

The Chairman: Senator McNamara was Chairman of the Canadian Wheat Board for a long time. During that time and also now, as you know, Dr. MacEachern, any farmer who has any acreage is entitled to a quota with the Canadian Wheat Board on a proportionate basis just as good and just as big as the quota given to the biggest farmer. So in that area, at any rate, there is not this quota problem. There is a quota, but it is not used as a measure to prevent entry into grain production. It is just used as a method of fairly allocating the market at a given time.

Dr. MacEachern: Returning to the subject of Kent County, I was interested in some of the evidence presented at your hearings, wherein the comment was made that dairy replacement is one of the key opportunities. It does not make sense to me to have a county with dairy replacement and another county with the milk cows; just as it does not make sense to have cow, calf, dairy, beef production in one area and fluid milk production in another. The dairy animal is the backbone of our beef industry in Eastern Canada, and always has been. Through our specialized dairy policy we have basically destroyed a lot of the potential for developing dairy beef which is now found to have a good, lean, rate of gain. The Holstein is a superior animal. It is crossed with Limousin and with Simmental, up in Rimouski and in other areas, and is highly desired by cattle ranchers and people in Alberta, British Columbia, Kansas, Oklahoma, Nevada, and elsewhere. The dairy animal is a great beef animal, but we separate it and say, "There's dairy, and there's beef!" You have your dairy replacements close to where you have your dairy cows, producing milk; then you can have your F-1's, your crosses, your cow calves, your feeders, and you might have a greenhouse and a few other things around where you utilize all the resources. That is integrated agricultural development.

Mr. Chambers: You are speaking in terms of serving a domestic market. Perhaps I am misinterpreting you. How large a region it is going to be depends on how large you want to make it. But where is the agricultural income that is generated that makes up that nice gross national product? It comes from exports. You have to export from one place to another, according to the theory, to facilitate comparative advantages, and so on. Without being able to export those F-1's from Rimouski to Kansas, life would not be as good in Rimouski.

Dr. MacEachern: I beg to differ. Nothing can retard agricultural development in Quebec more than a strong focus on producing F-1's for cattle herds in other parts of

North America, when in Quebec they are now already deficient in beef.

Mr. Chambers: No, I am not saying exclusive development for the export market. It is not as if we were growing all the wheat in Saskatchewan to feed the Chinese and not turning any of it into flour and feeding Canadians. I am not suggesting that at all. Your remarks seem to suggest that the local market is sufficient, somehow. The suggestion to raise dairy replacement cows in Kent County would also serve the Sussex County dairy market as well as the New England states.

Dr. MacEachern: What is the sense of that when the Maritimes are already deficient in dairy products, and Canada is already deficient in dairy products? By adding value, it is very important for jobs. The dairy industry is a very intensive labour employer, and it does not make economic sense, even though it does to the individual farmer to find the best market he can. The best market should be there if you have the corollary.

In places like the Maritimes, where you have obvious benefits, a greater degree of community self-sufficiency is economically and socially desirable. In some areas we will have exports, like the Prairies. Why should all the fruit and vegetables, which the Maritimes can grow, come from southern California and Mexico? It just does not make sense. There is a high transport rate per pound of produce. They get it fresh. It is important. It just does not make sense. You say, "Why has it not developed?", and then you take a look at our credit-granting agencies that tend to say, "Dairy replacements in this area. F-1's in this area. Feed lots in this area," even though we end up with great piles of manure that we do not know what to do with, or transporting feeders to southern Ontario and back again. We have gone too far in that specialized-area approach to sound community and agricultural development.

Senator Norrie: Do you think we would gain anything if we made an intensive study of European countries, such as Denmark—if we made a tour of inspection, and that sort of thing?

Dr. MacEachern: I have never been off the North American continent. I have read about things, and I am familiar with Henry Madsen, the agricultural attaché here from Denmark. I am intrigued by what they do over there. Somehow they have tended to develop communities. They have their Amsterdams, and other places. But they have a better integrated approach to intensive agriculture. I would say, yes—and take along a couple of farm leaders from the Maritimes. I think we should have buses. We should put people on buses and let them see. I spent nine years in the corn belt agriculture in Indiana to see what they do. Not that we want to copy, but it would give us a few ideas. I think we would make great progress by putting people on buses.

Senator Norrie: Why is it that people from Holland prefer to come over here rather than stay in their own country?

Dr. MacEachern: It is pretty intensive over there. It is hard to own land. They need a bit of money. Also, I guess they have heard about the opportunities in Canada. I know of fellows like Mr. Marceuse in southwestern Ontario. He has been in Canada for 10 years, in farming, and is now a millionaire. Then there is Jock Piele in Nova

Scotia. He is one of the good hog producers and feed grain men. It is a tremendous success story. Perhaps word of that gets over there and excites them a little.

Senator McGrand: Holland has 30 million people on 11,000 square miles. I had the pleasure of looking at land in the Zuider Zee area which was reclaimed. There are acres and acres of it. The land is owned by the government. They cleared it, reclaimed it, put it into shape, put buildings on it, and rented it on a long-term lease to some fellow who they knew was going to make good. He had to have certain qualifications. They have these little villages. A man does not have more than 75 acres of land. It is amazing to look at the community that grew up: the school, the church, the hospital, and everything else around it.

Dr. MacEachern: I would like to throw out another thought. We have always been bothered in Canada by these three boxes: research by one level of government; education by another group; and extension by another, the ag. rep. There is not always much communication there. I do not always find things too well tied together.

I have been impressed with some of the things in the States, such as the county agent concept, where he is partly paid by the community and partly by the state government. The county agent tended to work for people in the community. He was the motivator, the stimulus. I found that out in Carberry, Manitoba, which is a great little success story, there are a couple of key people. One is the ag. rep. He really identifies in that community. If someone is looking for information, he goes and gets it or he pulls in some resource people. Somehow, in Kent County and the communities there, there has to be a person who can help, who can motivate, who can go to the Farm Credit Corporation and say, "Why not? What could we have done there?" That is a thought I would have on speeding the adoption of ideas, technology, and for getting answers to questions. If I want to find somebody who knows something about building potato storage, where do I go? I am told you have to go either to Oregon, at your own expense, or into Maine. I am told that we do not have people who know too much about the engineering of potato storage. In those instances a good agricultural representative would be able to get you in touch with the people and get you the plans, if there are such things.

The Chairman: Unfortunately, Mr. MacEachern, I have another meeting which I have to attend at 12 o'clock, at which time I will turn the chair over to our Deputy Chairman, Senator Michaud. So far we have had a very useful discussion and if you can arrange to come back this afternoon or at some other time, we would be pleased to have you. I will leave that to the committee to decide.

Before I leave, I do have a couple of questions which I want to put to you. First of all, as regards your suggestion that the government should encourage young people to go into agriculture whether or not they have the financial resources, you made the statement—and I agree with it—that perhaps the government should be prepared to take even a 5 per cent loss. At the present time under the Farm Improvement Loans Act and, I think, under the Farm Credit Act, the losses have proven to be minimal. There has been almost no loss at all. I think it is one-tenth of 1 per cent, so that 5 per cent would be 50 times as great a loss as they are now encountering.

I agree with your approach. However, going further I feel that they could take a great deal of risk, even up to 100 per cent, as far as land and cattle are concerned and, perhaps, even equipment. In my opinion, those corporations would not lose anywhere close to even 1 per cent, based on the experience to date. The credit union proved that many years ago. The degree of loss very often is not so much related to what might appear to be the degree of risk as it is to the kind of people to whom you lend the money. If you are lending the money to good people, even if they do not have much of their own, the degree of loss is not very high.

I invite you to comment on that statement. I would like these things to be on the record so that we can make our recommendations.

Dr. MacEachern: I would agree with your statement, Mr. Chairman. Just to qualify it, the first thing would be for the government not to do anything to retard the young people. Additionally, if they could do something positive to help them, that is fine.

The other comment I wish to make is that there is a tendency for governments, being the social, responsible bodies they are, to feel responsible if somebody does not make it. They feel that they are somehow guilty or that they in some way caused it. In my view, if we could get away from that kind of paternalistic attitude we would be far better off. There are going to be failures. The attitude of the government should be that these people are free to fail or succeed. The government should try to facilitate their success, but should they fail it should not blame itself. The government is not there to put danger signs along the road. If a farm organization comes back to the government and says, "Well, you did this, so now bail me out," the government's reply should be that it did its part and the bailing out is entirely up to the individuals. They freely took on the venture and they were free either to succeed or fail. That should be the government's approach rather than taking the paternalistic approach that it must somehow be responsible for the failure.

The Chairman: My other point is related to the land banks, particularly the land bank program in Saskatchewan. I want your comments on this because the committee will have to answer questions when we start consideration of our report as to whether or not we feel that the land bank concept has some merit as far as agriculture is concerned in the Maritime provinces or in Kent County, because with this type of land perhaps it is better that the public acquire it and have it in the public domain and be able to deal with it from an agricultural point of view at some time in the future, rather than having it fall into the hands of K. C. Irving or forest interests in the meantime.

In Saskatchewan, as I see the land bank program being operated, there are some major problems. First of all, the government decides who is going to go into farming. The government decides who is going to get the lease with its pretty generous terms. There is some quarrelling as to who is going to get the land when it comes up. When a piece of land comes up there are perhaps 20 people who want it and, of course, only one will get it. I do not think it is a winner from a political standpoint, and I am not certain that it is a winner from other standpoints.

As I understand these leases, the individual cannot buy the land for five years. I am not criticizing that particular-

ly, but there is no assurance that the government will offer the land to him at the end of that five-year period.

Another problem is that a young person going into farming under this program now, and entering a five-year lease, may wind up in five years' time, if he wishes to buy that land, paying considerably more in relation to today's price. It would seem that one might make the argument that the Province of Saskatchewan is getting into the land business and will be the big winner, not the people who are acquiring the land under the land bank program.

I just put that to you for comment. I am not certain that it is correct. I am not certain that this is the way it is going to work, but I think it is a possibility, and I would appreciate your comments. Perhaps the land bank program is a good thing in certain places, under certain circumstances.

Dr. MacEachern: I would only concur with your statement, Mr. Chairman. It gives government considerable power and influence over what happens. Of course, if the governments are not enlightened, they can do a lot of things to create a deteriorating situation.

I did some research into land banks under the ARDA program, and the records show that when the government got into the land bank business they had some of the sharpest buyers of farm land. Those records show that older people wanting to sell their properties were offered the appraised price or market price, whichever was lower, in Eastern Ontario, here, and the records demonstrate that some land was bought quite cheaply.

How this affects the spirit of the people, again, is the main question. If you have so many goodies and everybody wanting them, you can deteriorate a community. I think that all, or most, would agree that in some areas there is a real need for some kind of land use planning to avoid many of the problems that can arise. How this can best be done, I am not sure. There are probably crisis situations, such as apparently existed in British Columbia, where the government has to act quickly rather than see massive amounts of good agricultural class 1 land move out of farming. It seems to me that the land bank can be a very valuable tool, but we have to be careful as to how it is used. Always being skeptical of good intentions, I tend to prefer checks and balances to make sure that the maximum benefits are achieved.

Mr. Chambers: Surely, you are not suggesting that the market system functions as an effective tool in the transition of land from one generation to another?

Dr. MacEachern: I would argue that, yes, much more so than do land banks.

Mr. Chambers: The current government interference by FCC and the current tendency by banks not to be too interested are the main components of the present marketing system. You have already suggested that they were inefficient and doing detrimental things to transition. You are suggesting that the government interfere with 100 per cent mortgages and that the social profit from the inflation of agricultural land as it continues to rise and rise, be returned to the producer who gets in on the easy credit of 100 per cent? The government is investing everything and the man who is successful reaps 250 per cent when he dies.

Dr. MacEachern: There are many aspects to this. It seems to me the point you are rising is whether the market

function would be better under a land bank scheme than under the present scheme. If you look closely you will find that, in terms of value pricing, our market system works reasonably well. It may not come up with a structure that I would like or that you would like, but with Farm Credit Corporation money available to larger farmers, some have even argued that this boosts the price of land a little more than it might have, whereas if there is one body, that owns a massive amount of land, offering it on the market as a buyer and seller, it can have a tremendous depressing effect. For ten years in the United States the Community Credit Corporation had a pretty good storage program in grains; they effectively controlled the market price of grains in those ten years by feeding small or larger amounts of it. It is the same with any large body that has a massive amount of land; it can depress market values. This is separate from the problem around urban areas, where there are speculators and so on, and where I see the public value of that land being greatly distorted by short-term market prices due to housing demands and other things.

Senator McGrand: I am very much interested in the land bank. A land bank in the Maritime provinces would certainly be different from a land bank in Saskatchewan or the northwest United States. If a man can have a lifetime lease on a piece of land, he does not need to own it. In Holland the farmer does not own the land, he has it on a lifetime lease; he can pass it on to his family; he can sell his equity in it. The advantage of having the long-term lease is that a man who proves to be a poor farmer can be pushed off the land. If a poor farmer owns the land, the land does not produce what it should. I cannot see anything wrong with a man having a lifetime lease of a piece of land, on the understanding that he should do the right things with it. They did the wrong thing with the land they owned in New Brunswick; the wrong thing was done by the owner. If it was leased and the lessor did what the previous owners of the land did, we would be no better off. I like the idea of the land bank on a long-term lease, and at some time I would like to go into that.

Dr. MacEachern: Perhaps I could comment on that quickly. There are some financial advantages to this. It presupposes a means of getting rid of the people who are not good farmers. I would like to think that the market system would do that, or that if they could make more renting it to me, they would rent it to me rather than farm it. It presents some problems. Perhaps British Columbia is the best example, where the government owns massive amounts of grazing land and leases it on a rather short-term basis. It is alleged by many ranchers that in no way has this encouraged good range management or land improvement practices. In fact, they allege the opposite is the case, simply because the pride of ownership in improvement and proper seeding and protecting is not there.

Senator McGrand: They could sell it to the developers too. Under a lease in British Columbia the developer will not get in and get hold of the land. Is that not it?

Dr. MacEachern: The ranchers lease much of their grazing land from the government now. The government, of course, can decide how much goes to wildlife, forestry and so on. With respect to that which is allocated to grazing, many of the ranchers who already have these leases argue that it has not been a conducive system for them to de-

velop those grazing lands and increase their range-holding capacity.

Mr. Chambers: How much of that do you suggest is the function of the short nature of the leases?

Dr. MacEachern: I am not so sure that the long-term lease by itself would solve it either. It is the system of controls, supervision, inspection and exercise by the lessor that would be important.

Senator Petten: Dr. MacEachern, I came in late, for which I apologize. A few weeks ago in the United States, before gas rationing was introduced, I was taken around Pennsylvania and shown some farms in the Allentown rural area. The man accompanying me explained, not very well because he was not a farmer, how the land bank operates there. Could you briefly explain that to me, because I wanted to ask you a question about New Brunswick and I want to be sure I am on the right lines.

Dr. MacEachern: I am not familiar with how their land bank system operates.

Senator Petten: I was hoping you were. As it was explained to me, the government pays these people to keep their land, not in crops but in good shape; they grow whatever they wish on them. I come from a fishing background so I am not a very good farmer. It occurred to me, as I mentioned to Senator McGrand on one occasion, that if in New Brunswick, particularly Kent County, the government could somehow acquire these lands that are now going back to forestry, alders, or whatever, and not being used, and some method were devised whereby people could keep these lands up to scratch, then when people want to go farming the land would be there. If it is left for another ten years it will all be back in alders; whoever has it will have it in trees again. Would you comment on that? Maybe you went over this before; and if so, I apologize.

Dr. MacEachern: No. What bothers me a little is this. The basic problem is why more people are not interested in buying some of that cheap land in Kent County now. This tells me there is a problem.

Senator Petten: May I just interrupt you at that point? It is because the prices were down so much, they were depressed prices. Farmers were not getting anything. You could not expect some lad who could go into Fredricton and work for \$100 or \$150 a week for five days a week, working 40 hours or less, to go on a farm and work seven days a week for \$70 or \$75.

The Chairman: Not that.

Senator Petten: I am just picking figures out of the air. As time goes on, we will need this land. That is my point. There must be some way to keep it up to scratch. The prices are going up now; there will be more interest in it.

Dr. MacEachern: I would not start off with the presumption that the guy near Fredericton would only make \$75 a week in farming. He might have to scratch in the first three to five years.

Senator Petten: If I might interrupt you again, I meant the fellow working on the farm, the farmhand, not the farmer himself. I was referring to the lad who still has to work six or seven days a week, as against the fellow in the

city or the town who works five days a week, 40 hours a week, for more money.

Dr. MacEachern: With regard to the land, in Kent County there may be a situation where you have to put a freeze on and hold off because of forestry. I can see the land bank being more applicable in Newfoundland, where there is a considerable amount of development needed to clear some of the land and get it back into titled form and so on. This is the thrust of the government over the last few years, trying to get people interested in clearing land or purchasing land.

Senator Petten: The centre of Newfoundland and the west coast more than the east.

Dr. MacEachern: As a development tool I think it has a role to bring about a turn-around. The government administrator would say, "Here is a land bank program. I can understand it, I can grasp it, I can handle land; it is understandable to me." Often he forgets that he should not do anything that would destroy the people getting enthusiastic about developing their community. If a man looks at it as a way to buy him back to the land he will be all upset that he is not getting as good a deal as the next man, and he will be a total failure in five years or less, simply because of an attitude problem, that the government have to look after him now because they want him back there under this kind of program. There are some bad side effects to crude administration of land holdings. I think they have to be watched very carefully. In parts of Newfoundland they are trying to develop land and get people on it where, if there are 10 or 15 of you going to be in a community, you want to know before you go that it has some potential. Maybe that applies in Kent County too. As a general rule, it scares me with all the problems.

Senator Petten: What then happens to all this land in Kent County that is now going back to alders or being made into forests for reforestation?

Dr. MacEachern: This raises the whole question of how to encourage agriculture and rural development in Kent County. To me, the first thing, before we get anybody interested in that, is that governments especially, at least vocally, commit themselves to feeling that it is a good idea, that they will not intentionally keep you from farming in Kent County; that if I wanted to farm and buy 150 acres they would be delighted that I would apply for a loan for it. There should be encouragement of that sort. That could be done quickly: the land bank could get in and put a quick freeze on, with the idea that it would be made available for agricultural development, simply because it is a higher public return than going into forestry, the idea being to sort of freeze it and then get it going again.

Senator Hervé Michaud (Deputy Chairman) in the Chair.

Senator McGrand: You have mentioned that several times, that there is higher profit in agriculture than in forestry. Well now, in New Zealand, they have gone into forestry in a big way. They had no natural wood for pulp in New Zealand so they imported Monterey pine during the depression. Now, in looking up materials I have read on this, they say that forestry produces more man-hour units, or whatever you want to call them—more employment—than there is in agriculture. I cannot follow the basis—I have forgotten it—but it is on the unit man-hour basis. There is more employment in forestry than there is

in agriculture; and agriculture is very high in New Zealand. You do not find an abandoned farm in New Zealand. I do not think there is one.

Dr. MacEachern: The proper analysis, in my judgment, is that we have to take that acre of land that is suitable for agriculture, find out what it is capable of producing over a period of time in the future, and consider what this does in terms of direct employment of the farm—directly back—as the impact throughout; and one of the things we have found is that the multiplier effect, in terms of job creation, is over three times as high in agriculture and food production than in forestry. In terms of the Canadian forest system, where we do not do much processing of our lumber, especially in the Atlantic provinces, you have very little spin-off, other than the basic direct effect of it. To me, it is a very simple question of what it will produce under forest products, what it will produce under agriculture products, to the public benefit; which means generating taxes, generating jobs, generating economic activity, that is,—incomes and wages, as compared to forestry.

Senator McGrand: That is quite true. They certainly do not take a good piece of land in New Zealand and put it into forestry; they select the land for it. But in reading this article, I was amazed at how profitable forestry is in New Zealand in the production of man-hour wages. That is why I am asking about this.

Dr. MacEachern: The figures I am using are those submitted at your hearing by one of the gentlemen involved in this forest development program in Kent County. If I recall, his figure, over a fairly long time span, was about \$750 per acre output, I think it was, over 35 years. I stand to be corrected on that.

Senator McGrand: Maybe I can find that article.

Dr. MacEachern: But down there I cannot think of any crops over a period of five years that will more than triple that direct output, ignoring the indirect effect on the rest of the economy of what happens with that produce. Do you follow? And so, to me, in Kent County the public approach has to be: What would be the longer term benefits of that land to this country in agriculture? Not just to the farmer, because the farmer only gets the difference between his revenue and his expenses, and that is the fact that determines the value of the land to him, which is often much lower than the value of the land in agriculture to the public.

Senator McGrand: Would you try to find that article and give it to us?

The Deputy Chairman: Dr. MacEachern, You often refer to the situation as it exists in Kent County, and at one time you wondered why there was no greater demand for the farm land in Kent County. Of course, that is the crux of the problem. Statistics tell us that 66.6 per cent of the farms in Kent County produce an income of \$2,500 or less, and another 15 per cent, in addition to that, are below the \$5,000 bracket. If you allow, for instance, 20 per cent net out of that gross, quite obviously these are not viable units.

Would it not seem that one of the solutions would be a system or program somewhat similar to what is taking place in your own Prince Edward Island, by which an

attempt has been made to group three farms in order to make one viable unit?

Dr. MacEachern: Senator, I am not that specifically familiar with Kent County, but going to P.E.I., there is no economic justification proposed as to why some of those 200-acre farms in my home area, or throughout the province, would be more profitable if they were tripled. In fact, they would be even less profitable unless there were sufficient investment in livestock, crop seed, fertilizer and other commodities to make that 200 acres productive now. That is my thought. The difficulty in Kent County is perhaps the same as that where I grew up. It has been neglected and isolated from the opportunities which exist and the technologies which are available.

The Deputy Chairman: That is right.

Dr. MacEachern: We conducted a study two years ago into the natural food market and its possibilities, with specific interest in the Gaspé, which in some areas has unpolluted soil. The bees there, for instance, have the lowest mortality rate in the world because they are not subject to pesticides and other agencies which cause death in bees. Their honey checked out at the lab. there is about 99.9 per cent pure. There is a tremendous market for honey. There is an old gentleman up there, outside Rimouski, making \$7,000 a year on honey. He sells it from the roadside. This applies to other products, such as buckwheat, because the market constantly changes. Those in Kent County have not been in a position to know of those opportunities.

Those of us who have tendencies for conventional wisdom say the organic food market is a fad. I do not care whether it is a fad or not. It is profitable and some people are willing to pay an extra amount for Gaspé honey, which is great. The same is true in Kent County as to hogs. There is a tremendous worldwide shortage in honey. I have been down there and, as information comes through, the people say you cannot do this and you cannot do that. I grew up with this attitude: No, don't cross the street! No, don't start farming! It is never what can be done, and it has an awful effect on the spirit of the people. This attitude is found even among the leaders there. When hog prices are dropping off a little and the people in New Brunswick should be getting into hog farming, the only information they get is that things are tough and are going to get tougher. The cycles are therefore completely missed, the people not understanding that there is a cycle involved, and they are getting out exactly at the time they should be getting in, because they are not receiving information.

The Deputy Chairman: You mean that it is a negative approach.

Dr. MacEachern: Yes, and I don't care whether it is greenhouse lettuce, tomatoes or cucumbers. We used to grow cucumbers, having a lot of children in our family. Opportunities exist in the marketplace in the Maritime provinces, just by talking to wholesalers and asking where they got those carrots, what they paid for them and the specifications they would like. How much return can be realized by growing an acre of carrots? Just simple things offer the opportunities. This is not an answer to all things, but the difficulty is that we look at something and say it is not viable, therefore it cannot be viable; yet development, in my opinion, is how the human potential in Kent County

can be uplifted, whether through the Cook Institute, the people, or the Caisse Populaire program. What can they do? What is their land capable of doing? Most of us do not really know what our capabilities are anyway. I am not saying that it is an easy road down there, but I am saying it is much easier than it is in northern British Columbia, and yet they are doing it out there.

There are other related questions. Why have we lost so many young people from the Maritimes? Why have parents of families been encouraging them to leave? I have been encouraged since I was that high to leave. Why? Because it was better in Toronto. We honestly believed that. But I have been there and it is not better and it cannot be really as good in Toronto as it is down there.

The Deputy Chairman: In Kent County they are told that it is better to go to the United States.

Senator McGrand: People have always migrated from the east to the west.

Senator Norrie: No, there is an influx of 6,000 coming back to the Maritimes now.

The Deputy Chairman: But they are not going back there to farm.

Senator McGrand: If you read the book by Professor Flower you will see that he says that the people who came to New Brunswick and stayed there were those who did not have the money to get to Upper Canada. They stayed simply because they did not have the fare to get to Upper Canada or to Minnesota. This is true. But there has always been that slogan, "Go west!"

Dr. MacEachern: I have been very much impressed by some of the things I have seen happening in Newfoundland. I spent about three weeks there last year, and while it is not big yet, still there are some people who have gone to school and have got a little training. There are some very successful farmers, good farmers, in Newfoundland. To look at it from afar you would say, "My, that pile of rock! Why in hell would anybody go there?" This is especially true if you are from the Prairies, where you can see from horizon to horizon. Yet I have seen the best egg producing facilities in Canada there, some of the best dairy producers, some good fruit and vegetable producers in Newfoundland—the Avalon Peninsula and so on. In Prince Edward Island and New Brunswick I can show you the same thing, but there is not enough of it.

Senator McGrand: I was in Senator Petten's house the other day in Newfoundland and I had the loveliest steak you can imagine. I was wondering what part of Western Canada it came from, and he told me that it came from just up the road, four or five miles away. But can you tell me how successful is the restructuring in Prince Edward Island?

Dr. MacEachern: Well, there is a variety of ways of looking at success and evaluating it. In my judgment, much of this restructuring had a neutral or negative effect. There is a great deal of land there and many of the farms are too big anyway. We had about 180 acres of land, or a little more, but it put nine kids through college. It has been diversified—milked a few cows, raised some beef, and when the dairy program came out we were too small to have a quota and it seemed very complex and discouraged

people. So they carried on with a diversified operation. There is nothing unique about my background, but the land consolidation is just a kind of visible thing to suggest how to develop it. It has done nothing to improve it at all. They have developed an elite farm, the growers themselves, up in a place called Kensington, producing good seed potatoes. They need more of that because we can get the Venezuela market if we produce a different kind of potato up in the highland area; also the Uruguay market. They have a specific kind of requirement where they import from the Netherlands because our product is not quite geared to them. They are tying in with Russia and the Cuba people with the Red Pontiac, developed pretty much by themselves.

Senator McGrand: I remember, when we were on the Poverty Committee, one witness told us that had Halifax twice its present population, there would be no poverty in Nova Scotia, that Halifax was big enough to absorb. I am advised that when Halifax had less than half its present population, there was less poverty in Nova Scotia than there is today.

Dr. MacEachern: One of the most successful programs, in my judgment—and I observed briefly the situation down there—was the home improvement program, where home owners could receive a grant of up to \$2,000 to improve the home to make it a little more livable. That has done a lot to improve the quality of life of those people and make them happier in the farm community. But in terms of marketing thrusts, better marketing machinery, nothing too positive has come down there from development programs.

The Deputy Chairman: Honourable senators, we should start thinking about adjourning. Before we do, however, there is one observation that I should like to make with regard to the land conservation program in Prince Edward Island and the one that I would like to see in Kent County.

Dr. MacEachern, you used the figure of 180 acres. I am quite sure that in Kent County it would take three average farms to bring it to the 180-acre unit; farms are much smaller, and that is why the gross income is so low. I said 66.6 per cent of farms had incomes of less than \$2,500. For statistical information, you only had to have an income of \$2,500 to be considered by the census people as a farm. That is why the figure is so high in Kent County. I repeat that there should be some consolidation to increase the units, because our units are much smaller than those that you have indicated exist on the Island.

Dr. MacEachern: With the small farm development program already in existence, it should facilitate that enlargement.

The Deputy Chairman: But it does not work. Obviously, those people who are holding small units have to go outside for the greater part of their income, because they cannot make anywhere near enough income from the small farm units to look after their needs. In the small farm program, the specifications say that the main source of income would come from the farm, but practically everybody is excluded, so it does not apply. We are again at the starting point, of what are we going to do to recuperate all of those thousands of acres in the No. 2 and No. 3 classes in Kent County which are going back into wilderness.

One group of statistics tells us that there are 400 farmers in Kent County. I know there are not 100 active farmers in Kent County. You have all that land on the other side doing nothing or going back to waste. That is a problem that we will have to tackle.

Dr. MacEachern, we want to thank you for the valuable

information you have been so kind to give to this committee. We agree with much of what you have said.

Dr. MacEachern: Thank you very much.

The Deputy Chairman: We shall now adjourn *sine die*.

The committee adjourned.

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FIRST SESSION—TWENTY-NINTH PARLIAMENT
1973

THE SENATE OF CANADA

PROCEEDINGS OF THE
STANDING SENATE COMMITTEE ON

AGRICULTURE

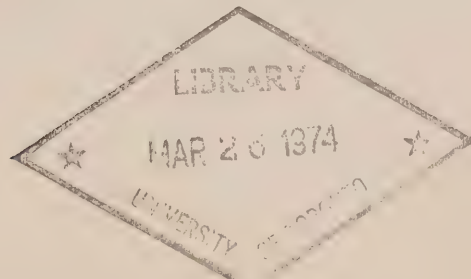
The Honourable HAZEN ARGUE, *Chairman*

Issue No. 9

FRIDAY, DECEMBER 21, 1973

Study of certain aspects of agricultural problems in Eastern Canada.

INTERIM REPORT OF COMMITTEE



THE STANDING SENATE COMMITTEE
ON AGRICULTURE

The Honourable Hazen Argue, *Chairman*

The Honourable Senators:

Argue	McGrand
Belisle	McNamara
Benidickson	Michaud
Côté	Molgat
*Flynn	Norrie
Fournier (<i>Restigouche- Gloucester</i>)	Petten
Hays	Phillips
Inman	Sparrow
Lafond	Welch
*Martin	Williams
McElman	Yuzyk

**Ex officio* members

20 MEMBERS

(QUORUM 5)

Order of Reference

Extract from the Minutes of the Proceedings of the Senate, March 28th, 1973:

The Honourable Senator Argue moved, seconded by the Honourable Senator Lafond:

“That the Standing Senate Committee on Agriculture which was empowered by the Senate on 22nd February 1973, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada: provided that no special expenses shall be incurred by the Committee without specific authorization by the Senate and full compliance with Rule 83A, and that all Senators shall be notified of any scheduled meeting of the Committee and the purpose thereof and that it report the result of any such examination to the Senate, have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purposes of any such examination; and

That the Committee, or any sub-committee so authorized by the Committee, may adjourn from place to place in Canada for the purposes of any such examination.”

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier,
Clerk of the Senate.

INTERIM REPORT OF COMMITTEE

FRIDAY, December 21, 1973

SUMMARY

The Senate Agricultural Committee is studying the matter of marginal, submarginal, and abandoned farmlands in Eastern Canada, noting in particular the situation in Kent County, New Brunswick. The purpose of this report is to review the progress of the Committee and to make recommendations on two aspects of the problem.

To date the Committee has held sessions in Ottawa and in Moncton, hearing briefs from federal and provincial departments of agriculture, government agencies, research and educational institutions, community and producer groups, and individuals. The Committee has toured parts of New Brunswick discussing the farmers' problems with them.

The Committee is continuing its work. It plans further hearings in the New Year on a number of specific aspects, after which the Committee will submit its report.

At this time the Committee wishes to bring to the attention of the Senate two areas of concern: (1) the problem of entry into agriculture as a vocation, and (2) some apparent deficiencies in the Small Farms Development Program.

The Committee in its sessions has observed an increased interest on the part of young people in agriculture as a vocation and in the rural life. This interest is frustrated by many things. Along with other obstacles the entry of young people into agriculture is often made impossible by the large amount of capital required. Parallel to this new interest in agriculture is the rapid depopulation of rural areas. The Committee believes it is desirable that larger numbers of young people enter agriculture. The Committee is pursuing this problem, but it is a national problem which merits the concern of the people and governments. In order to encourage discussion of these problems the Committee recommends:

Recommendation I

That the federal and provincial governments give serious consideration to the revision of their policies, particularly to drastically reducing for the prospective farmer the initial cash payment or other security presently required.

The Small Farms Development Program is considered by the Committee to be the most important policy instrument now in place for aiding the economic develop-

ment of marginal farming areas. However, evidence presented to the Committee suggests that the program is achieving its goal of easing the exit of farmers from uneconomic farms much more effectively than it is achieving its goal of creating small economic family farms.

The evidence further suggests that the program's impact in marginal areas is less than was expected.

The Committee has concluded that the roots of these problems are: (a) the criterion of eligibility for purchasers and vendors, and (b) the unequal access of purchasers and vendors to the land market.

The major criterion for buyers and sellers is that they be principally occupied in farming. In marginal areas farm income is insufficient for family needs and off-farm work is a necessity, thus few farmers qualify. A second important criterion is that only land in production at the time of the federal-provincial agreement and at the time of application can qualify. Marginal areas have a high rate of land abandonment. Much of this land is reclaimable for agricultural use, but it does not qualify.

Under the program there is unequal access to the land market for buyers and sellers. The eligible vendor may sell to the operator of any economic farm unit and receive his grant. The eligible purchaser must buy from an eligible vendor. He is thus restricted, in general, to a very small market and possibly to a nonexistent market in marginal areas.

To overcome these obstacles and to increase the effectiveness of the Small Farms Development Program the Committee recommends the following changes:

Recommendation II

That the eligibility criteria for purchasers under SFDP be widened to include operators not principally occupied in farming at the time of application, if the FCC at the time of approval consider that the loan will materially assist the applicant to become principally occupied in farming.

Recommendation III

That the special credit conditions provided for under the SFDP be available to eligible purchasers for land transactions with any vendor and for the purchase of any suitable agricultural land.

REPORT

Introduction

At the suggestion of the Honourable Senator Hervé Michaud the Agriculture Committee, with approval of the Senate, undertook as its first major inquiry

"the matter of marginal, submarginal, and abandoned farm lands in Eastern Canada, noting in particular the situation in Kent County, N.B., and to consider what recommendations might be useful in the interests of securing and maintaining:

- 1) Viable rural communities;
- 2) A prosperous agricultural population;
- 3) A progressive and expanding industry;
- 4) Such supplies of agricultural products as will contribute to reasonable and stable prices—an advantage to both producers and consumers;
- 5) Farm units of a kind and site, consistent with the above objectives, so as to maintain a large rural population."

Proceedings of the Inquiry

The Committee has held and continues to hold hearings on this question, and at this time seeks to inform the Senate of its progress and to make recommendations concerning two aspects of the matter.

The Committee sought as its first witness the Honourable Eugene Whelan, Minister of Agriculture, who appeared on May 22nd, with his Deputy Minister, Mr. S. B. Williams, and other officials of his Department. This meeting served to allow the federal government to discuss its policies concerning the small and marginal farm sector. This meeting was productive and encouraging.

The Committee then undertook to examine the agricultural problems of Kent County. To acquaint the Committee with local conditions, with the attitudes of rural residents and farmers, and with the attitudes, goals, and programs of the provincial government and other agencies and institutions, two days of hearings were held in Moncton on June 13 and 14, 1973. On the preceding day, June 12th, the Committee toured parts of Kent and Westmorland Counties, visiting with farmers, at local communities, and at the headquarters of New Brunswick New Start Inc. On June 15th, the Committee travelled to the Agriculture Canada Research Station at Fredericton, where it toured the station and had further discussions with the director and his staff.

While in Moncton the Committee held six meetings in the morning, afternoon and evening of June 13th and 14th. The Committee heard from witnesses representing the provincial and federal governments, educational and research institutions, local groups and also from individuals. The following appeared:

—on behalf of Agriculture Canada, Mr. G. M. Weaver, Director, Research Station, Fredericton; supporting witnesses from the various research divisions; and Mr. Frank Calder, Acting Superintendent, Experimental Farm, Nappan, N.S.

—on behalf of New Brunswick Department of Agricultural and Rural Development, Mr. R. Gilbert, Deputy Minister; Mr. P. Schousboe, Director of Extension; and Mr. V. Bastin, Secretary, N.B. Forest Products Commission.

—Mr. L.-Ph. Albert and Mr. E. Keizer, presenting the conclusions of the Report on Agricultural Manpower Training Needs, 1971, in New Brunswick.

—Mr. C. Gallagher (MLA, Carleton) and Mr. A. Graham (MLA, Kent) presenting the conclusions of the report of the N.B. Select Committee on Agriculture and Rural Life.

—on behalf of La Fédération des Agriculteurs Francophones de l'Archidiocèse de Moncton, Mr. Joel Arsenault, Secretary.

—on behalf of the Woodlot Association, Mr. Jean Finnigan, President.

—Mr. Philippe Bourgeois, agronome.

—on behalf of the Rexton sub-federation of Agriculture, Mrs. Flora Sullivan, Secretary.

—on behalf of the Association of Producers of Christmas trees for Kent County North, Mr. Yvon Babineau, President.

—on behalf of the Memrancook Institute, Mr. E. A. Arsenault, Director, and Mr. R. Robichaud, Co-ordinator, Auxiliary Services.

—on behalf of the Farm Credit Corporation, Mr. W. West, Director; and Mr. E. Bourgeois, Supervisor of Small Farms Development Program.

—on behalf of New Brunswick New Start, Inc., Mr. H. Shorten, Director.

—on behalf of the Students' Council, Clement Cormier High School, Buctouche, Ms. Adrienne Léger, Mr. André Leger, and a delegation of students.

—on behalf of Maritimes Cooperative Services, Ltd., Mr. W. D. Dernier, General Manager, members of the staff, and members of the Board of Directors.

—on behalf of New Food Products Co. Ltd., Mr. J. P. Leblanc, General Manager, who also read the brief of Rabbit Ranchers Enterprises (Rexton, N.B.)

—on behalf of J. D. Irving Ltd., Mr. D. Oxley, Woodland Director.

—on behalf of Fédération des Caisses Populaires Acadiennes, Mr. M. Légère, Director.

The exchanges, both formal and informal, with the witnesses, were stimulating. The representatives from the provincial and federal governments, and the research institutions, produced information that was optimistic, though cautiously so, concerning the prospects of increased agricultural employment and production in Kent County. The local people expressed hope, though it was mixed with bitterness towards and alienation from the policies and services of the departments of agriculture and development of the two senior levels of government.

The Committee would like to make especial note of a surprising and an encouraging centre of hope for the possibilities of a re-invigorated rural life, the delegation of students from Clement Cormier High School in Buc-touche. These students expressed the frustrations of their generation with the all too traditional migration from the rural to the urban setting, and their hope that the rural alternative would become a viable alternative, possibly for themselves.

The sessions in Moncton, the briefs presented and discussions that took place, have served to bring the conditions of Kent County, and similar areas, into a clearer perspective, and to focus the attention of the Committee with greater precision. A number of specific areas of investigation have been decided on by the Committee, the problems of production and marketing, of capital and credit, of agricultural education and extension services (with special attention to the language problem), and of land abandonment and use, etc., and these are being pursued.

Two weeks ago the Committee continued its study with two meetings on specific aspects. On December 4th the problems of agricultural education were discussed with Mr. Victorin Lavoie, Dean and Mr. Yves Chartier, Secretary, Faculty of Agricultural Science and Nutrition, University of Laval, Dr. H. F. MacRae, Principal, Mr. J. E. Shuh, Vice-Principal, and Mr. P. Y. Hamilton, Registrar, Nova Scotia Agricultural College, Mr. Roland Cloutier, Dean, Faculty of Science, Moncton University, and Mr. L.-Ph. Albert, Cabinet Secretariat of the Office of the Premier of New Brunswick.

This discussion covered two interrelated areas, professional training for agrologists or agronomes and continuing education for practising farmers. The Committee found the interchange of ideas between participants in the less formal atmosphere of discussion to be most productive both in generating ideas and exploring problems.

On December 6th, the Committee invited Dr. G. M. MacEachern, President, Agricultural Economics Research Council of Canada, to appear. The discussions centered on the interventions of government in the agricultural sector, and specifically with those policies directed at small farms and marginal areas.

The hearings held to date, the witnesses who have appeared, and the discussions that ensued, are considered by the Committee to have been a good beginning on both the general and the specific problem under consideration. In the New Year the Committee plans further hearings on a number of important aspects.

Discussion of certain aspects and Recommendations

The Committee wishes at this time to bring to the attention of the Senate two areas of concern: (a) the problem of entry into agriculture, and (b) some apparent deficiencies of the Small Farm Development Program.

It appears to the Committee that there may be a developing interest in farming as a vocation and this should

be encouraged by governments. This interest has taken many forms, including the "back to the land" movement, increased enrollment in agriculture colleges, and increased interest in the secondary schools. This interest is being frustrated by many things. The education system is completely urban oriented. The Committee has found that only a few secondary students have the option of an agriculture course available to them. The schools prepare students for and they offer them the choice of only the offices and the factories, not the fields, the forests or the sea. The policies of the federal and provincial governments also serve as a disincentive. They seem to be oriented towards the creation of an elite, based on large, capital intensive farms. The credit policies especially presuppose that significant amounts of capital are available to the entrant into agriculture.

The Committee has observed the depopulation of rural Canada, the gradually advancing average age of farmers, with dismay. It has a responsibility to seek solutions to this problem for marginal areas, but the problem is a national one, as relevant in the Regina Central Plains of Saskatchewan as in Kent County, New Brunswick. The Committee, therefore, wishes to see a national discussion of this problem and so it recommends:

Recommendation I

That the federal and provincial governments give serious consideration to the revision of their policies, particularly to drastically reducing for the prospective farmer the initial cash payment or other security presently required.

The Small Farms Development Program, from its announcement in December 1971 to the recent past, raised the expectations of all persons concerned with the problems of small and marginal farms in Canada. The Honourable H. A. Olson, Minister of Agriculture on December 6, 1971, stated:

"Unless we develop new and workable programs, there are many farmers in Canada and, indeed, entire rural communities, that will be threatened..."

"Economic studies and practical experience suggest that the family farm is the best type of farm, and it is in this context that we have developed a comprehensive program to help the small farmers of Canada to develop profitable family farms."

The Prime Minister, the Right Honourable Pierre Elliott Trudeau, emphasized the importance that the federal government placed on this initiative in a speech to La Coopérative Fédérée de Québec, on February 2, 1972:

"I will say that the program (SFDP) we are presently discussing is our last straw. We either have to make it work or the whole thing (rural society) will collapse. Our entire hopes are centered and focused on this program and we will never give it too much importance."

The Honourable Eugene Whelan, when he appeared before the Committee, echoed these statements:

"I still think that the Small Farms Program has quite a lot to offer, particularly in areas such as Kent County, and other similar areas in Canada."

The Committee at the beginning of its inquiry also had much hope for the program. Senator Michaud at the hearings in Moncton spoke for many of the members present when he said:

"With regard to the small farm program, I think perhaps as far as we are concerned in Kent County at the present time, it is the most vital piece of legislation coming before us."

We did not see the program as a magic wand that the federal and provincial governments could wave to produce prosperity, but rather as a program with a specific role to play. The Committee has come to the conclusion that the program is unable to fulfill that role in areas like Kent County.

Perhaps it would be useful to outline the program before discussing the deficiencies that the Committee has found.

The major thrust of the small farms development program is the transformation of small, economically marginal family farms into economically viable family farms. It concentrates its efforts on making small farms larger, but not in making large farms. It has a second objective, "to assist owner-operators of small farms to realize on their equity in their farm holdings," or to allow those who wish to depart from a subsistence agricultural life to a better non-farm life, to do so.

To achieve these two goals the program provides an information service and a land transfer program. In New Brunswick the province administers the former and the Farm Credit Corporation administers the latter. The information service consists of (a) a rural development service to help the farmer and his family get the information required to make the basic decision to develop within agriculture or to take advantage of other opportunities, (b) a farm management service to help the individual farmer develop a commercially viable farm business and (c) an information system to back up these two services. The land transfer program consists of (a) the provision of special credit for prospective purchasers, (b) the provision of assistance grants for prospective vendors, (c) a listing service to bring buyers and sellers together and, (d) the option for the outright purchase and resale of farm property.

Under the special credit provisions the purchaser will be able to make a low down payment (\$200.00 on a \$20,000.00 loan), will have up to 26 years to repay at the standard Farm Credit Corporation mortgage rate, and will not be required to mortgage other property as security. The purchaser is put in a low risk position, he does not endanger his present holdings and he retains his capital as operating capital. The vendor receives a special assistance grant of a basic \$1,500 plus 10% of the sale price of the farm to a maximum combined total of \$3,500.00. The vendor also has the option of retaining the farm home and property for residential use.

How is the small farms program working? Preliminary data has been made available by the Farm Credit Corporation and is set out in the attached Tables I and II. The range of "ideal transactions" (eligible vendors selling to eligible purchasers) varies considerably; for the period April 1 to November 30, 1973, the national ratio is 18.5%, the New Brunswick ratio is 14.3%. From this we can conclude that the program is more effective in achieving its second objective, the assisting of "owner-operators of small farms to realize on their equity," than in achieving its first objective, the creation of small economic family farms through consolidation. The average value of the transactions, both sales and purchases, are well within the maximum established for each province. It appears that there is sufficient credit available to eligible purchasers to compete for the size of farms being offered by eligible vendors. We must conclude that there are other reasons for the low level of "ideal transactions."

The Committee's attention was directed to the eligibility criteria by a number of witnesses and it has concluded that the limitations imposed by these criteria are at the root of the problems of purchasers.

A purchase under the land transfer program, an "ideal transaction," is possible only if both the buyer and the seller are eligible. The principal condition of eligibility and the most limiting one in the Committee's opinion is that the purchaser must be "principally occupied in the operation of a farm" and that a vendor must be "principally occupied in the operation of that farm at the date of commencement of the program and at the time of application."

This dual eligibility does not apply to sales under the program, thus the number of sales is more than five times the number of purchases. The vendor has an unlimited range of persons to whom he can sell. The purchaser has a severely limited range of persons from whom he can buy and still qualify for the special credit arrangements.

This problem, which is nationwide, is further accentuated in marginal areas, where few farmers are principally employed in farming. The revenue generated by most of these farms is not sufficient for the operators needs and off-farm work must be taken to supplement the farm income. This is illustrated by Kent County, where in 1971 66.6% of farms had gross sales of less than \$2,500 and 81.8% had sales of less than \$5,000. The farmers in Kent County that reported off-farm work for 1970 averaged 143 days in the under \$2,500 class, 151 days in the \$2,500-\$4,999 class and 107 days in the \$10,000 and over class. Clearly most of the farmers in Kent County would not qualify as being principally employed in farming.

The criteria limit the options of the eligible purchaser in another way; the potential acreage available for purchase is that which was in production when the federal-provincial agreement was signed and that has remained in production to the time of application. Many acres have gone out of production in marginal areas in the last two decades and much of this land can still be retrieved

for agricultural use. In Kent County in the period 1966-71, 18,092 acres of improved land alone were removed from agriculture, a decline of 35.7%. If the same absolute decline in acres continues, another 18,000 acres could be removed from production within the period of the New Brunswick Small Farms Development Program Agreement (till 1977). The land taken out of production one year becomes ineligible for purchase the next year.

The quality of this abandoned land is, in general, equivalent to those acres presently available. It is dispersed throughout the farming area, not concentrated on the fringes or in certain areas, thus its suitability for use in consolidation may be more satisfactory than acreage from some eligible farm.

The Committee finds the pattern of the movement of land within the land transfer program to be most discouraging. Farmers are being moved off the land at a much faster rate than small farms are being expanded. The expectations of the rural population in marginal areas are not being satisfied within the scope of the program. The Committee has concluded that the most important obstacles to the success of the program are the criteria that requires applicants to be principally

occupied in farming and that limits the access of eligible purchasers to transactions with eligible vendors.

To overcome these obstacles and to increase the effectiveness of the Small Farms Development Program the Committee recommends the following changes:

Recommendation II

That the eligibility criteria for purchasers under the Small Farms Development Program be widened to include operators not principally occupied in farming at the time of application, if the FCC at the time of approval consider that the loan will materially assist the applicant to become principally occupied in farming.

Recommendation III

That the special credit conditions provided for under the Small Farms Development Program be available to eligible purchasers for land transactions with any vendor and for the purchase of any suitable agricultural land.

Respectfully submitted.

HAZEN ARGUE
Chairman

SMALL FARMS DEVELOPMENT PROGRAM

TABLE I

LAND TRANSFER PROGRAM
April 1—November 30, 1973

	Number of Vendor Offers	Number of Purchase Offers	Purchase Offers Vendor Grants	Average Sale Price	Average Purchase Price
			%	\$	\$
British Columbia.....	5	3	60.0	19,800	18,363
Alberta.....	771	120	15.6	15,580	17,003
Saskatchewan.....	128	49	38.3	16,580	18,618
Manitoba.....	151	30	19.9	16,430	18,947
Ontario.....	91	10	10.9	14,080	16,700
Quebec.....	8	1	12.5	12,750	16,300
New Brunswick.....	35	5	14.3	13,600	12,600
Nova Scotia.....	12	3	25.0	14,210	17,600
Prince Edward Island.....	22	5	22.7	11,098	10,100
CANADA.....	1,223	226	18.5	15,210	17,370

(Source: Data supplied by FCC)

TABLE II
LAND TRANSFER PROGRAM, NEW BRUNSWICK
April 1—November 30, 1973

	Number of Vendor Grants	Number of Purchase Offers	Purchase Offers Vendor Grants	Average Sale Price	Average Purchase Price
			%	\$	\$
Sussex.....	14	—	—	13,670	—
Fredericton.....	9	—	—	15,380	—
Moncton.....	1	1	100	7,000	7,000
Grand Falls.....	11	4	36.4	13,800	14,050
New Brunswick.....	35	5	14.3	13,950	12,600

(SOURCE: Data supplied by FCC)

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1973-1974

THE SENATE OF CANADA

STANDING SENATE COMMITTEE
ON

AGRICULTURE

The Honourable HAZEN ARGUE, *Chairman*

I N D E X

OF PROCEEDINGS

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INDEX

Agricultural and Rural Development Act

See
ARDA

Agricultural Economics Research Council of Canada

History, functions 8:5-8
MacEachern, G., President, statement, discussion 8:5-8,
9-21

Agricultural industry

See
Farming industry

Agricultural Manpower Training Needs: Report by Louis-Philippe Albert, Elliott R. Keizer, Dept. of Agriculture, Fredericton, N.B.

Quotations 6:7-8

Agriculture and Rural Development Dept., New Brunswick

Statement 5:19-23

Agriculture Canada

See
Agriculture Department

Agriculture Department

Document presented to Committee (May 22nd, 1973)
3:4, 26-36
Education program, counselling, services 3:14-5
Experimental farms, demonstration stations, new
system 3:16
Land Inventory for agriculture, "capability classes"
3:7-8
Research, Maritime provinces, dissemination 5:18

Agriculture, Standing Senate Committee

Agreements signed with provinces re Small Farm
Development Program, details tabled 3:10
Bill S-5, Finance Dept. consultation 4:13
Motion, Sen. Argue, Committee mandate, modification
adopted 1:3; 2:3; 3:3
Terms of reference 3:5; 5:7; 7:24, 27; 8:8; 9:5

Agronomists

Education 7:5-31; 9:6

Albert, L. P., Resource Planning Co-ordinator, Cabinet Secretariat, Economic Policy Div., Office of Premier, Fredericton, N.B.

Discussion 5:37-8; 7:10-21, 24-6, 27-8, 31-2, 35
Statement, francophone agronomists, lack 7:16-8
Study, farming, brief 5:32-7

Alberta, Province

Instruction, level, table 3:35
Small Farm Development Program, application 3:9

Andel, Dr. M. E., Director of Research and Farm Management, Farm Credit Corporation

Corporation program 7:29-30
27192-14

Annis, Dr. J. T., District Veterinarian, Research Station, Dept. of Agriculture, Moncton, N.B.

Statement, division activities 5:11-2

ARDA

Kent County, project 5:42, 46, 48, 50; 6:20
Land use, programs 3:15; 8:13
New Brunswick Agreement 5:42, 54; 6:20-1
Publication 1966, *Life and Poverty in the Maritimes*
3:20
Studies, Farmers' situation, New Brunswick 5:32-8

Argue, Hon. Hazen, Senator (Regina), Committee Chairman

Agricultural problems in Eastern Canada 3:5-6, 8-10,
13-4, 16-20, 22-3; 5:7-8, 10, 12-9, 23, 27-32, 37-8,
45, 55-7; 6:6, 9, 12-3, 15-6, 19, 21, 31-2, 36-7, 39,
41-4, 47-9, 56-7; 7:5-6, 10-1, 15-6, 18-9, 23-31, 33-5;
8:5, 8-9, 13-7
Canadian Federation of Agriculture, Annual Report
1:5, 7-16

Arsenault, Edouard, Director, Memramcook Institute, N.B.

Discussion 6:9-11
Institute, staff 6:6, 9

Arsenault, Zoël, Secretary, Fédération des Agriculteurs Francophones de l'Archidiocèse de Moncton, N.B.

Brief 5:46-8
Discussion 6:11

Association of Christmas Tree Producers, Kent County North, N.B.

Brief 5:54-5

Atlantic Field Crop Recommendations

Publication, Atlantic Provinces Coordinating Com-
mittee 5:10

Babineau, Yvon, President, Association of Christmas Tree Producers of Kent County North, N.B.

Brief, presentation 5:54

Bastin, Verne, Secretary, New Brunswick Forest Products Commission

Discussion 5:30-1
Statement 5:22-3

Benidickson, Hon. William Moore, Senator (Kenora-Rainy River)

Agricultural problems in Eastern Canada 5:11, 15-6,
18-9, 24, 29, 37; 6:41-2, 45

Bill S-5, An Act to amend the Farm Improvement Loans Act

Amortization on land, chattels, duration 4:14
Committee consultations with Finance Dept. 4:13
Loans
Chattels, amount 4:14

- Goals 4:10-1
- Land purchase, amount 4:13
- Limit increased 4:6, 9, 14
- Re-negotiating procedure 4:7
- (Under) Law
 - Amount, limit 4:9, 10
 - Banks attitude 4:7-8, 10, 12
 - Breakdown 1971, 1972 4:9
 - Government guarantees, limit 4:8, 9, 12
 - Interest rates 4:7-8, 11-2
 - Chattels 4:11
 - Land 4:11, 13
 - Regulations 4:7, 11
 - Roll-over privileges 4:10
 - Purpose 4:6, 8, 9, 14
 - Report to Senate without amendment 4:5, 14
 - See also*
 - Farm Credit Corporation. Loans
- Boden, E. A., Second Vice-President, Canadian Federation of Agriculture**
 - Discussion 1:12-5
 - Feed grain, east-west conflict 1:8-9
- Bourgeois, Edmond, Spokesman, Farm Credit Corporation**
 - Small Farm Development Program, New Brunswick, statement 6:16-7
- Bourgeois, Philippe, Agronomist, Kent County, New Brunswick**
 - Discussion 5:55, 57-8
 - Statement, development needs 5:50-3
- Breckman, W., District Supervisor, Dairy Division, Research Station, Moncton, N.B.**
 - Dairy commissions, Maritimes, statistics 5:11
- British Columbia, Province**
 - Farm workers, level of education, data 3:35
 - Land bank program 8:17
- Brussels Sprouts Co-op, Rogersville, N.B.**
 - Brussels sprouts production, McCain's Food, price 5:46, 55, 58
- Burnes, W. T., Assistant Director, Farm Management, Agriculture Dept.**
 - Discussion 3:19-20
 - Land, "capability classes" 3:7
- CFA**
 - See*
 - Canadian Federation of Agriculture
- CRASE (Conseil régional d'aménagement du sud-est du Nouveau-Brunswick)**
 - See*
 - Council for the Development of Southeastern New Brunswick
- Cadieux, Jean, New Brunswick**
 - Farm buying, help to young 6:56-7
- Calder, Frank, Acting Superintendent, Experimental Farm, Nappan, N.S.**
 - Discussion 5:12-3, 18-9
 - Statement 5:10
- Canada Newstart Program**
 - Annual report 1972-73 6:4, 58-88
- Canadian Federation of Agriculture**
 - Bill S-5
 - Loans
 - Limit extension, recommendation 4:6, 9-10, 14
 - Two agencies lending, opinion 4:11
 - Mortgage, open end 4:9
 - Position 4:6, 9-10
 - Statement, C. Munro, President 4:6
 - Brief, annual report, resolutions, study 1:5-16; 2:n.p.
 - Dairy industry
 - Market-sharing program 1:9
 - Supply management, responsibility 1:9
 - Feed grain
 - Brief, national policy 1:6
 - Disagreement with Union des Producteurs Agricoles (Que.) 1:7-9
 - Proliferation ministerial portfolios re agriculture, criticism 1:16
 - Rexton Sub-Federation of Agriculture, N.B., affiliation 5:53
 - Wheat
 - Bill, presentation, domestic price establishment 1:12-3
 - Research 1:13
 - Two-price, payment system 1:12, 13
- Canadian Wheat Board**
 - Domestic consumption, price to producers 1:12
 - Handling, responsibility 1:13-4
 - Price
 - Setting, wheat, oats, barley 6:36
 - Thunder Bay, Vancouver 1:12
- Carter, Hon. Chesley W., Senator (The Grand Banks)**
 - Canadian Federation of Agriculture, Annual Report 1:9-10, 12
- Chambers, Albert, Assistant to Committee Chairman**
 - Discussion 6:46-7, 62; 7:25, 34-5; 8:13-8
- Chartier, Yves, Secretary, Faculty of Agricultural Science and Nutrition, Laval University, Quebec**
 - Discussion 7:21, 25, 30-3
 - Universities, equivalence 7:15
- Clement Cormier High School, Bouctouche, N.B.**
 - Brief, recommendations of student council 6:25-6
 - Youth, agricultural orientation, means, information, lack 6:24-35
- Cloutier, Roland, Dean, Faculty of Science, Moncton University, N.B.**
 - Discussion 7:9, 12, 15-6, 21, 25, 28
 - Statement, Robichaud-Cardinal agreement 7:6
- Company of Young Acadians**
 - Cooperation, Regional Farming Southeast Board 5:49
 - (The) *Competitive Position of Maritime Agriculture*
 - Maritimes climate, study 8:10-1
- Co-ops**
 - See*
 - Fédération des Caisses Populaires Acadiennes

Council for the Development of Southeastern New Brunswick

Accomplishments, territory 5:51; 6:21

Crop Insurance Program

Application

New Brunswick, lack 3:12, 18; 5:40, 43
Nova Scotia 3:18
Saskatchewan 3:12

Dairy industry

Butter

Import, statistics 1:9-10
Price 1:9-10
Production, consumption 1:11

Kent County, N.B., statistics 5:11

Margarine consumption 1:11

Milk

Level of return, price per hundred-weight 1:9
Market-sharing program, penalty production exceeds needs 1:9

Subsidies

Federal 1:9-11
Long-term, permanent, effects 1:10-1

Producers, decrease 8:6, 8-9

Skimmed powdered milk, price 1:9

See also

Kent County, New Brunswick

Denmark

Agriculture, conditions, technology 8:12, 15

Dernier, Williard D., General Manager, Maritime Co-operative Services Limited

Brief, presentation 6:32-5

Discussion 6:35-8

Drisdelle, Rhéal, Social Animator, Kent County, N.B.

Farms

Bought by K.C. Irving 5:59

Investments 5:59

Education

Level, data for Canada, accent on farm related occupations 3:32-6

FAFAM

See

Fédération des Agriculteurs Francophones de l'Archidiocèse de Moncton

Fababeans

Cultivation, production 5:14, 15

Farm Credit Association, Moncton, N.B.

Kent County

Loans, applications, number, interest rate 6:13, 16-8; 7:29

Mortgages, approved 6:13

Situation 6:13-4

Statements

Bourgeois, Edmond 6:16-7
West, W. 6:13-4

See also

Farm Credit Corporation

Farm Credit Corporation

Agents, Kent County and New Brunswick 3:9, 13

Decisions, delay 4:10-1

Land transfer program, operation 7:29-30; 9:7

Loans

Conditions, regulation 3:12; 4:7, 10, 12; 5:56; 6:16; 7:29, 33; 8:10-1; 9:4

Guarantee, young farmers 3:21-2; 9:7

Holland, comparison 4:10

Interest rate 4:7, 12

Land evaluation, criteria 3:21-3

Land, maximum 4:10, 12

Legal payments for sale lands 4:12-3

Limit 4:7, 10

Programs 3:13

Small Farm Development Program

Applications for assistance 3:9; 6:16-7

Responsibility 3:9-11; 5:26-7; 7:29

Special credit 6:16-7; 9:4, 7

See also

Farm Credit Association, Moncton, N.B.

Farmers

Education 7:30-5; 9:6

Women 7:24, 34-5

Information needs 7:30

Loans

Bill S-5, implementation 4:6-14

Farm Credit Corporation, conditions 3:12-3; 4:6-7, 10-1; 7:29; 9:4

Farm Improvement Loans Act

Banks attitude 4:7-8, 10, 12

Conditions 4:6-7; 7:29

Number, amount 1971, 1972 4:9

Fédération des Caisses populaires acadiennes 6:52-3, 55, 57

Lawyers fees land selling, loans 4:12-3

Number in Canada 1:15; 4:9; 7:34

Part-time, special programs, Ontario 3:13, 19; 7:27; 8:7, 14

Small Farm Development Program, implementation 3:12-4; 5:56-7; 6:17; 9:4, 6-9

Wheat grading 1:14

Young, incentives, measures 6:25-32, 56-7; 8:9-10, 14, 16-8; 9:4

See also

Bill S-5

Canadian Federation of Agriculture

Farm Credit Corporation

Farming industry

Canada 1966, 1971

Statistics

Farmland areas (acres) 3:18-9

Farms 3:18

Live-stock 3:19, 20

Committee study, problems eastern Canada 3:5-36; 5:7-63; 6:6-91; 7:5-35; 8:5-21; 9:4, 5

Efficiency, comparison United States 1:10

Hog manure, transformation 8:11-2

Income, farm operators, statistics 5:38

Land use 3:15, 16

Marginal areas, development 7:27, 33; 9:5, 6, 8

Markets, future 3:15

"New" 7:26-7, 33

Percentage GNP, production 4:8

Policy, goal, effects 8:6, 8; 9:6
 Population involved, decrease 5:38-9; 9:4, 6
 Problem of entry into agriculture, credit policy, recommendation 9:4, 6
 Provincial programs, ten distinct 3:18
See also
 Kent County, N.B.
 Maritime provinces
 New Brunswick, Province

Farming research

Fredericton, N.B., station, role operation 3:14-8; 5:9-10, 13-5
 Government responsibilities, federal, provincial 5:16-7
 Information, diffusion, lack 5:15-6
 Maritime Provinces, co-operation between stations, Dairy Commission 5:10-1
 Moncton, N.B., station 5:10-2
 Nappan, N.S., experimental farm, publications 5:10-3, 15

Fédération des Agriculteurs Francophones de l'Archidocèse de Moncton, N.-B.

Brief, agricultural conditions, Kent Co., N.B. 5:46-8

Fédération des Caisses Populaires Acadiennes

Capital 6:54
 Cooperative movement, education, spreading 6:52
 Kent County
 Caisses populaires, number, assets, functioning 6:50, 51-2
 Cooperatives
 Number, assets 6:50, 51, 55
 Small farmers 6:55, 56, 57
 Fisheries, contribution 6:50, 52, 55, 57
 Loans
 Conditions, financing, interest rates 6:52-4, 55, 56
 (To) Small farmers 6:54, 55, 56
 Members, number 6:55
 Overhead cost 6:53
 Statement, M. Légère, President 6:49-52

Feed grains

Prices 5:43-4; 6:36
 Barley, cultivation 1:14; 5:9, 44; 6:33, 35, 36
 East-west differences 1:7-9, 13-4; 6:36
 Oats, lack, characteristics 1:14; 6:33, 36
 Silage corn 6:36
 Storage facilities 1:15
 Transport
 Maritimes, storage 1:15; 5:15; 6:34
 National policy 1:15; 6:34, 36

Finnigan, Jean, President, Woodlot Association, N.B.

Brief, forestry conditions 5:48-50

Fisheries

See
 New Brunswick, Province—Fishing Industry, aid

Forestry

Operations in Canada 8:18-9

See also
 Kent County, N.B. Forestry
 New Brunswick, *Forest Industry*

Fournier, Hon. Michel, Senator (Restigouche-Gloucester)

Agricultural problems in Eastern Canada 3:13, 16, 20; 5:18, 24-5, 55-8; 6:10, 28-30, 42, 56; 7:21-2, 31-2; 8:10, 12-4

France

Agriculture, conditions 8:12

Fuller, Howard, Member, Executive Committee, Canadian Federation of Agriculture

Horticultural industry, problems 1:15

Gallagher, Charles, M.L.A., Carleton County, N.B.

Discussion 5:43-5
 Statement, agricultural production 5:38-40

Gaspé Peninsula

See
 Quebec, Province

Gilbert, Reginald, Deputy Minister, Dept. of Agriculture and Rural Development, New Brunswick

Discussion 5:24-32
 Statement, agricultural, economic conditions 5:19-21

Graham, Alan, M.L.A., Kent County, N.B.

Discussion 5:43-5
 Statement, agricultural, social development 5:40-3

Grains

Maritimes, supply, production 1:15-6; 3:7, 20; 5:9, 14-5
 Prairies, number producers 5:17
 Price, fluctuation 5:15
 Transport subsidy, beneficiaries 5:15

Hall, Bert, Manitoba Farm Bureau

Chicken broiler producers, U.S. competition 1:10

Hamilton, P. Y., Registrar, Nova Scotia Agricultural College

Courses, professional, technical 7:8, 22
 Slides on College, presentation 7:22-3

Hays, Hon. Harry, Senator, (Calgary)

Bill S-5—"An Act to amend the Farm Improvement Loans Act" 4:6-14

Hill, Gordon, Member, Executive Committee, Canadian Federation of Agriculture

Bill S-5, discussion 4:6-12
 Dairy producers 1:11

Holmes, A. H., Director, Lending Branch, Farm Credit Corporation

Applications under Small Farm Development Program 3:9
 Discussion 3:12, 21-2

Hopkins, E. Russel, Law Clerk and Parliamentary Counsel

Bill S-5, discussion 4:8, 12, 13

Inman, Hon. F. Elsie, Senator (Murray Harbour)

Agricultural problems in Eastern Canada 5:13-4, 24, 37-8; 6:12, 19, 22-3, 26, 30, 37-8, 41, 48; 7:8, 19, 24, 31, 35
 Canadian Federation of Agriculture, Annual Report 1:9

Irving Ltd.

See

J. D. Irving Ltd.

J. D. Irving Ltd.

Agriculture, forestry, program 6:43-9

Brief, forestry, New Brunswick, appendices 6:43-4, 89-91

See also

Kent County, New Brunswick. Forestry

Joint Federal-Provincial Economic Development Strategy for New Brunswick

Text, extracts, Feb. 1973 5:20

Keizer, Elliott R., Resource Economist, Planning and Development Branch, Dept. of Agriculture and Rural Development, N.B.

Study, farm and land management, presentation 5:33-6

Kent County, New Brunswick

Acadians, emigration statistics 3:8-9; 6:19, 49-50; 7:33, 34

Acres farmed, decrease 3:5, 7; 5:21, 33-4, 46, 59; 6:49; 9:4, 8

Agricultural conditions 3:5-9, 13-21, 24-6; 5:7-63; 6:13-5, 22, 33-5; 7:21-2; 8:13-4, 15, 18, 20-1; 9:5, 7-8

ARDA program 3:6; 5:32-8, 42, 46, 47, 48, 56, 60; 6:21-2

Assistance programs, federal, provincial 3:21; 5:14, 47-8, 50-2, 54; 6:19, 21, 31, 40

Breeding

Dairy cattle 6:14, 15, 18, 33-4, 38; 8:15

Hogs 6:14-5, 18, 34, 38; 8:19

Poultry 6:14, 18

Rabbits 5:12; 6:39-42

Meat processing facility, building, subsidy 6:39-42

New Food Products Co., brief 6:39-40

Pelt, market 6:41

Rabbit Ranchers Enterprises, brief 6:42

Sheep, price, wool 6:15, 16, 34, 38-9

Cattle

Export bull semen 5:12

Feeding 5:9, 12-3, 15, 26, 29, 31-2

Health 5:12

Population 5:25, 59

Christmas trees, production 5:6, 41-2, 45, 54

Dairy industry, statistics 5:11, 50, 54, 57; 6:9, 14-5, 18, 33, 34; 8:6, 15

Farm owners, age statistics 3:13; 5:33, 35; 9:6

Farmers income, statistics 8:19; 9:7-8

Farms abandoned, number 7:21; 9:8

Fédération des Agriculteurs Francophones de l'Archevêché de Moncton, brief 5:46-8

Fédération des Caisses Populaires Acadiennes, assistance, loans 6:49-57

Fertilizers, use, cost 5:19, 44; 6:15, 33

Forestry 3:25-6; 5:22-3, 30-1, 34, 45, 48-50; 6:14, 17-8, 33-4

J. D. Irving Ltd.

Acres, number

Freehold land 5:59; 6:44, 45

Planted to trees 6:44, 91

Forest nursery, Juniper, N.B. operations 6:43, 45

Land buying, exchanging 5:59; 6:43-4, 45, 46-7, 48, 91

Operations summary 6:43-4

Plantations, brands of tree, cost 6:44, 45, 48, 89

Lath mill, plan 5:49

Market 6:48

Rail transport, rate, government assistance 6:43-4, 47, 90

Reforestation 3:7, 8, 21; 5:30-1; 6:33-4, 43-5; 8:18

Spruce budworm epidemic 5:22, 31; 6:43, 44, 46-7

Illustration stations, research 3:16, 18

Kouchibouguac Park, effects of creation 6:23, 24

Land buying

American citizens 6:27

Entrepreneurs 6:14

J. D. Irving Ltd. 5:59; 6:43-9

Lumber companies 3:7-8, 20-1

Local Initiative Program 5:48; 6:25, 31

Markets, meat, poultry, export 5:12, 18, 54; 6:14, 15

Newstart, projects 6:19-24, 58-88

Opportunities for Youth Program 5:48; 6:25, 29, 31

Population 5:57

Poultry industry 5:11, 14, 17

Production

Barley, quality, price 5:9, 44; 6:33, 35, 36

Brussels sprouts 5:46, 55, 58; 6:37

Forage, grains, transport subsidy 3:7; 6:14, 33, 34, 36

Fruit, strawberry 6:14, 34

Grapes 5:18

Oysters 5:42; 6:19, 22, 23

Potatoes 5:14; 6:15

Vegetables 5:8, 22, 52, 54; 6:14, 20, 34, 37

Regional storage, project 6:21

Services

Agronomists, recruiting, difficulties 5:24, 47; 6:11-9, 34

Veterinarians 5:47; 6:11

Small Farm Development Program

Implementation 3:12-4; 5:22, 23, 27, 46, 51; 6:16-8; 7:29-30; 8:20-1; 9:4, 5-7

Loans, investments, applications 5:40, 47, 56-7; 6:13, 16-8; 7:21, 29

Problems, data, recommendations 9:7-9

Publicity, bilingual 3:9-10, 14; 5:24, 28-30; 6:16-8; 9:7

See also

Farm Credit Corporation

Soil capabilities, categories 3:27; 5:14, 19, 22, 52, 55; 6:18, 24, 33

Statistics, various 3:25-36; 5:20-1, 22, 34-6, 59-60, 63; 6:33, 49-50, 66-91

Tobacco industry 5:16, 19, 21, 52, 54; 6:13, 34

Young people, orientation towards agriculture

Information, lack 6:25, 26, 37-8; 9:4, 5

Means, programs 6:25-32, 56-7; 8:10; 9:4

Kirk, David, Executive Secretary, Canadian Federation of Agriculture

Butter, production, consumption 1:11

Discussion

Annual report 1:13, 15

Bill S-5 4:6-7, 9, 12

Lafond, Hon. Paul C., Senator (Gulf)

Agricultural problems in Eastern Canada 3:9-10, 23; 5:8, 16, 26-8, 46; 6:10-1, 16-7, 21, 26-7, 40, 42; 7:12-3, 34

Canadian Federation of Agriculture, Annual Report 1:7-8

Lafond, Hon. Paul C., Senator (Gulf), Committee Acting Chairman

Agricultural problems in Eastern Canada 5:43-5

Land Bank Program

Operations, effects 8:6-7, 16-7

Land Transfer Program

See

New Brunswick, Province

Land Transfer Program**Laval University, Québec**

Agriculture faculty, demonstration farms, federal-provincial agreement 7:30

Background, programs 7:10-5

Students

Exchanges, scholarships 7:11-2, 15-6

New Brunswick 5:43; 6:11; 7:11, 17-8, 32

Number 7:11, 16

Lavoie, Victorin, Dean, Faculty of Agricultural and Nutritional Sciences, Laval University, Quebec

Discussion 7:11-6, 20-1, 26-7, 31-2, 35

Statement, faculty's activities 7:10-1

Lawson, Hon. Edward M., Senator (Vancouver)

Bill S-5—"An Act to amend the Farm Improvement Loans Act" 4:7-8, 14

Lea, W. D., Member, Canadian Federation of Agriculture

Feed barley, number one 1:14

Leblanc and Nutter Report

Recommendations 5:41-2

Rural population, Kent County, situation, conclusions 5:13-4, 18, 27, 41

Leblanc, André, Vice-President, Clement Cormier High School Student Council, Bouctouche, N.B.

Recommendations 6:25-6

Leblanc, J. Paul, General Manager, The New Food Products Co. Ltd., Rexton, N.B.

Brief 6:39-43

Rabbit ranches, meat processing factory 6:40-3

Leblanc, J. Paul, representing Roger Vautour, President, Rabbit Ranchers Enterprises

Brief 6:42-3

Léger, Miss Adrienne, Vice-President Elect, Clement Cormier High School Student Council, Bouctouche, N.B.

Brief 6:24-5

Légère, Martin, Director, Fédération des Caisses Populaires Acadiennes; Président, Conseil de la Fédération des Coopératives

Discussion 6:52-7

Statement 6:49-52

LeLacheur, M. A., District Supervisor, Plant Products Division, Research Station, Moncton, N.B.

Discussion 5:14-5, 26-7, 32

Fertilizer, sales, Kent County 5:10-1

Little, W. F., General Manager, Maritime Co-operatives Services Ltd.

Beef, hog, sheep, marketing 6:38-9

Lotherington, V., District Supervisor, Poultry Division, Research Station, Moncton, N.B.

Agriculture, Kent County 5:11

Discussion 5:14, 17

McCague, James, Member, Executive Committee, Canadian Federation of Agriculture

Milk industry, programs 1:9-11

Macdonald, Hon. John M., Senator (Cape Breton)

Bill S-5—"An Act to amend the Farm Improvement Loans Act" 4:7-8

MacEachern, Dr. Gordon, President, Agricultural Economics Research Council of Canada

Discussion 8:9-21

Statement, Agriculture, Eastern Canada 8:5-8

McElman, Hon. Charles, Senator (Nashwaak Valley)

Agricultural problems in Eastern Canada 5:8, 13, 17, 24, 28-9, 31-2, 38, 44-5; 6:12, 17-8, 23-4, 27-8, 31, 44-8, 52-4; 7:14-5, 18-9, 26, 31, 34

McGrand, Hon. Fred A., Senator (Sunbury)

Agricultural problems in Eastern Canada 5:14, 19, 25-6, 28, 30-1, 34-5, 43-4, 55, 58; 6:9-10, 16, 22, 24, 29, 37, 39, 44-6, 48; 7:8-9, 20, 24, 26, 31; 8:9-14, 16-20

McIlraith, Hon. George J., Senator (Ottawa Valley)

Canadian Federation of Agriculture, Annual Report 1:10-1

MacKenzie, Wilbert, Member, Executive Committee, Canadian Federation of Agriculture

Dairy industry, subsidies, effects 1:11

MacLean, Dr. Angus, Program Manager, Environmental Quality, Fredericton Research Station, N.B.

Discussion 5:10

McNamara, Hon. William C., Senator (Winnipeg)

Bill S-5—"An Act to amend the Farm Improvement Loans Act" 4:13-4

MacRae, Dr. H. F., Principal, Nova Scotia Agricultural College

Discussion 7:8-10, 14-6, 18-9, 23, 25-6, 28, 34-5

Statement, background, operations 7:6-8

Manitoba, Province

Education, level, data 3:34

Manpower Department

New Brunswick, agricultural training 5:33-8

Maritime Co-operative Services Ltd.

Background, purpose 6:32-3, 38

Brief 6:32-5

Maritime Provinces

Agronomists, shortage francophones 7:16-8

Climate, effect farming 8:10-1

Dairy production, 1972-73 statistics 5:11

Departure, return inhabitants, statistics 8:20

Education, level, data 3:33

Farm technicians, role 7:7-9, 22-6, 34

Farming situation, various statistics 3:24-33; 5:39

Food production, deficit 8:10

Graduates, agriculture, return to farms 7:7-10, 14-5, 17, 26

Grain incentive program 3:7, 20-1; 5:9

Grain, storage facilities 1:15

- Livestock**
Feed
 Feed lots 8:10-1
 Model system, publications 5:12-3
 Transportation, subsidy 5:14-6; 6:34-5
Health 5:11-2
 Marginal areas, development 7:27-8, 32-3
 Maritime Co-operative Services Ltd., operations, objectives 6:32-3
 Population, rural, farmers in decline, data 5:39
 Post-secondary agricultural education 7:9, 16-7
 Research, co-operation between stations, Dairy Commissions 5:8, 10-1
 Scholarships, government 7:16
See also
 New Brunswick, Province
 Nova Scotia, Province
- Meat Inspection Act and Regulations**
 Requirements 5:12
- Melançon, Louis-Marie, Moncton, N.B.**
 Caisses populaires, loans, small farms 6:54-5
 Farm desertion, reasons 6:32
- Memramcook Institute, New Brunswick**
Courses
 Abbreviated, technical 6:12
 Farmers 6:8-9
 Fishermen 6:9, 12
 Francophones, need 6:13
 Goals, resources 6:6-9, 12, 13
- Michaud, Hon. Hervé, Senator (Kent)**
 Agricultural problems in Eastern Canada 3:7-8, 16, 18; 5:7, 13, 15-7, 19, 27, 45-6, 48, 50, 53-9; 6:11, 13, 18-9, 24, 26-9, 31-2, 35, 38, 49, 52; 7:5, 8-9, 11-2, 16-7, 19-20, 22, 29-30, 33-5; 8:9
 Canadian Federation of Agriculture, Annual Report 1:13
- Michaud, Hon. Hervé, Senator (Kent), Committee Deputy Chairman**
 Agricultural problems in Eastern Canada 5:38, 40; 8:19-21
 Bill S-5—"An Act to amend the Farm Improvement Loans Act" 4:6, 14
- Molgat, Hon. Gildas L., Senator (Ste. Rose)**
 Agricultural problems in Eastern Canada 3:10-3, 17-21, 23; 7:9-10, 12, 18
- (The) Moncton Transcript**
Bankers Warning Loans More Difficult Without Interest Rise. Statement, President, Canadian Bankers Association 6:4, 48
- Munro, Charles G., President, Canadian Federation of Agriculture**
 Annual Report 1:5-16
 Bill S-5
 Discussion 4:6-14
 Statement 4:6
 Brief, resolutions 1:5-7
- Murray, Alec, Kent County, N.B.**
 Farming, loans and investment 5:56-7
- NFU**
See
 National Farmers Union
- National Farmers Union**
 FCA, affiliation 1:14
 National Farm Marketing bill 1:15
- Netherlands**
Agriculture
 Lifetime lease, system 8:17
 Technology, successful implementation in Canada by Dutch 8:12, 15-6
- New Brunswick Fruit Growers Association**
 Development program 5:9
- New Brunswick, Province**
 Agricultural regions, disadvantaged 3:5-8; 5:7-63
 Agriculture and Rural Development Dept.
 Development, aid 5:24-5
 Services, bilingualism 5:24-5, 29-30, 43
 Statement 5:19-22
 Albert, L.-P., Resources Planning Co-ordinator, Cabinet Secretariat, Office of the Premier, Fredericton, statement 7:16-8
 Conditions, economic 5:20
 Crop cultivation
 Alfalfa 5:32
 Apples 5:9
 Buckwheat 5:26
 Feed grain 5:43-4
 Potatoes 5:16, 19, 20, 28, 43
 Silage corn 6:36
 Crop insurance, use, lack 3:18; 5:40, 43-4
 Dutch settlers, farming, success 7:26
 Education, level, statistics data 3:33; 5:33, 35-8; 6:6-9, 22; 7:23-4
 Experimental farm stations
 Fredericton, reports 3:14-8; 5:8, 13, 15
 Moncton 5:10-2
 Farm Credit System 7:19, 21-2
 Farming situation, statistics 3:24-30, 33; 5:20-1, 38-42, 60
 Feed
 Cattle, poultry 5:15-6, 26, 34-5, 39; 6:35-6
 Silage 6:36
 Fertilizer, chemical, use 5:19, 44; 6:15, 33; 7:26
 Fishing Industry, aid
 Caraquet School of Fishery 6:57
 Fédération Caisses Populaires Acadiennes 6:49-50, 53, 55
 Government 6:49, 56-7
 Forest Industry 3:21, 23; 5:22, 31-2, 34, 44-5, 49-50; 6:14, 17-8, 48-9
 Insecticides, cost since 1952 6:43
 Lumber producers 5:51
See also
 Kent County, New Brunswick. Forestry
 Land Banks, effects 8:6, 16-7
 Land Transfer Program
 Data 9:8-9
 Information service 9:7
 Structure 9:7
 Leblanc and Nutter Report, recommendations 5:13, 27, 41
 Manpower Dept., agriculture 5:33, 35-8, 61; 6:8, 13

Meat inspection, federal 5:12

Newstart program

Arts and Crafts 6:19-20, 22

Oysters 6:19-20, 22-3

See also

Kent County, New Brunswick

North-east, special programs, CRAN 7:32

Program of Opportunity, tax assessment 3:20; 5:21-2
Programs

Small Farm Development Program

Agreements 3:8; 5:26-7; 6:16

Applications, loans 6:16-7

Publicity campaign 6:16-8, 25

Statement, Right Hon. P. E. Trudeau 5:27; 9:6

St. Joseph Agricultural School (French), closing 6:10-1,
56-7

Select Committee on Agriculture, recommendations
5:39-42

Slaughter houses

Cattle, poultry, regulations 5:12

Rabbits, Richibucto project 5:12

Soil, classes 3:27; 5:14, 52; 7:24, 26

Tantramar Marsh, cattle 5:30

Training agricultural courses in French

Farmers 5:35-7; 6:7-13, 22

Students 6:10-1, 27, 30-1, 37-8, 57; 7:8-9, 17-8, 28-9

University of Moncton, Laval, Robichaud-Cardinal
agreement 7:6-7, 28

See also

Kent County, New Brunswick

Maritime Provinces

University of Moncton

(The) New Food Products Company Limited

Brief, rabbit breeding 6:39-41

Rabbits, wild, industry, government inspection 6:39-41

Newfoundland, Province

Education, level, data 3:33

Land banks, use for agriculture 8:18-9

Registration, Nova Scotia Agricultural College 7:34

Newstart Inc., New Brunswick

Background, objective, operations 5:51; 6:19-21, 23,
59-64

Canada Newstart Program 6:4, 58-68

Kent County

Information Centres 6:22

Program 6:19-20, 42, 58-91

Projects

Fishing, sport, courses 6:23

Onion farms 6:20

Oyster Industry 5:42; 6:19, 21-3, 73

Tourism, Kouchibouguac Park 6:22-4, 74

Warehouse, construction 6:21

Womens training 6:22-4

Shorten, Harry, Director, statement 6:19-21

Statistics, data 6:65-91

Newstart Program

See

Canada Newstart Program

Newstart Inc., New Brunswick

New Zealand

Forestry Industry 8:19

Norrie, Hon. Margaret F., Senator (Cumberland)

Agricultural problems in Eastern Canada 3:13-4, 17-8;
5:14-5, 24-5, 28, 38, 56; 6:10-1, 13, 29, 32; 7:13, 19,
24, 28, 33, 35; 8:11, 15, 20

Canadian Federation of Agriculture, Annual Report
1:11, 15

Nova Scotia Agricultural College, Truro

Agreements with McGill, Guelph, Maine Universities
7:7, 9, 15, 17, 21

Agricultural technicians, formation role 7:7-8, 22, 23,
24, 26, 34

Enrolment, statistics 7:8-9, 22, 34-5

History, programs 7:6-9, 14-5, 26

Scholarship, studies financing 7:11, 12-3, 16

Students

Female, interests 7:24, 34

French-speaking 6:11; 7:9, 18, 23, 29

(from) New Brunswick 6:11; 7:9, 19

Recruitment 7:25

Nova Scotia, Province

Education level, data 3:52; 7:23-4

Eggs, over-production 3:7

Fababean, production 5:15

Grain corn, production 5:14

MacRae, H. F., Principal, Agricultural College, state-
ment 7:6-8

Nappan, experimental farm, operations, publications
5:10, 12-3

Reclamation

Abandoned lands 7:24; 9:8

Marshland 7:24

See also

Nova Scotia Agricultural College, Truro

Ontario, Province

Education, level, data 3:34

Oxlay, Dave, Woodland Director, J. D. Irving Ltd.

Brief, farming and forestry, Kent County 6:43-4

Discussion 6:44-8

Oyster Industry

See

New Brunswick, Province

Newstart, Inc., New Brunswick

Petten, Hon. William John, Senator (Bonavista)

Agricultural problems in Eastern Canada 5:19; 8:18

Bill S-5—"An Act to amend the Farm Improvement
Loans Act" 4:12, 14

Pigeon, Roland, First Vice-President, Canadian Federation of Agriculture

Discussion 1:9-10, 14-6

Quebec, Province, UPA, disagreement 1:7-8

Poultry Industry

American competition 1:10

Prairie Provinces

Canadian Wheat Board, letter of information to 175,000
producers 5:17

Education, level, data 3:35

Prince Edward Island, Province

- Abandoned land turned into trailer parks 7:24
- Agricultural production, increase 5:38-9
- Farmers education, level, data 3:32; 7:23-4
- Farm land restructuring 8:20
- Potatoes, production, exportation 8:20
- Scholarship program for agronomy students 7:13, 16

Proteins

- "Bourgane", extraction 7:27
- Chlorella, production 8:11
- Consequences
 - Anchovies, Peruvian catches, poor 5:11
 - Soya, price increase 5:11
- Lack 5:11
- Wheat, quality, grading 1:11-2, 14

Quebec, Province

- Education, level, data 3:33
- Gaspé Peninsula
 - Agriculture, pollution absence 8:19
 - Livestock, breeding, problems 8:13
- "Groupement Forestier" Program, effects 5:22, 31
- Marginal areas 7:27-8, 33
- Proteins, "Bourgane" (marsh sap) 7:27
- See also*
- Laval University, Quebec

Rabbit Ranchers Enterprises, Rexton, N.B.

- Brief, rabbit meat production 6:42-3

Rabbits

- See*
- Kent County, New Brunswick. Breeding

Reports to the Senate

- Bill S-5, without amendment 4:5
- Interim Report of Committee, recommendations 9:4-9
- Presentation, Annual Report, Canadian Federation of Agriculture 2:n.p.

Rexton Sub-Federation of Agriculture

- Brief, Kent County agricultural situation 5:53-4

Ripley, Bradley, Acting Chief, Livestock Division Research Station, Moncton, N.B.

- Administering, program 5:11

Robichaud, J. P., former Agricultural Representative, New Brunswick

- Kent County, manure use 5:19

Robichaud, Raymond, Co-ordinator of Auxiliary Services, Memramcook Institute, N.B.

- Statement, Institute, education 6:7-9

Russel, Keith, Director of Public Relations, Maritime Co-operative Service Ltd.

- Agriculture, education 6:37-8

St. Charles Co-op, N.B.

- Development problem 5:46, 50

St. Hyacinthe Agricultural College (Laval affiliated), Que.

- Students from New Brunswick 6:11, 13

Saskatchewan, Province

- Education, level, data 3:34
- Programs
 - Agricultural loans, banks 8:6-7, 17-8
 - Crop Insurance, establishment 3:12
 - Farm installations 8:6-7
 - Small Farm Development, negotiations 3:8-10, 17

Saskatchewan Wheat Pool

- Wheat
 - Protein, grading 1:11
 - Two-price system, payment 1:11-2

Schousboe, Peter, Director of Extension, Agriculture and Rural Development Dept., New Brunswick

- Agriculture, Kent County, statement 5:21-2
- Discussion 5:25

Shorten, Harry, Director, Newstart Inc., N.B.

- Discussion 6:21-4
- Statement, New Brunswick study 6:19-21

Shuh, J. E., Vice-principal, Nova Scotia Agricultural College, Truro

- Discussion 7:24-5, 29, 34-5
- Registration 7:8-9

Small Farm Development Program

- Agreements with provinces, variations 3:8-9, 10, 17; 6:16
- Counselling services, usefulness 3:14
- Effects, advantages 3:6, 9, 14; 5:22; 6:16; 9:4
- Financing, conditions 3:10-2; 6:17-8; 9:7
- Land Transfer Program, data 9:8-9
 - Eligibility criteria per purchaser 9:7-8
- Olsen, Hon. H. A., Agriculture Minister, statement 9:6
- Publicity, information, programs with provinces 3:9-10, 14; 6:16-8; 9:7
- Recommendations of Committee, special credit, conditions 9:4, 7-8
- Trudeau, Rt. Hon. P. E., Statement to La Coopérative Fédérée de Québec, Feb. 2, 1972 5:30; 9:6-7
- See also*
- Farm Credit Corporation

Smith, Allan, Member, Executive Committee, Canadian Federation of Agriculture

- Wheat, two-price system 1:13-4

Sparrow, Hon. Herbert Orville, Senator (The Battlefords)

- Agricultural problems in Eastern Canada 3:10-1, 15, 17, 21-2
- Bill S-5—"An Act to amend the Farm Improvement Loans Act" 4:8-9, 11-4
- Canadian Federation of Agriculture, Annual Report 1:12, 14-5

Sullivan, Mrs. Flora, Secretary, Rexton Sub-Federation of Agriculture

- Brief, presentation 5:53-4

Task Force on Social Development, N.B.

- See*
- Leblanc and Nutter report

Truro Agricultural College

- See*
- Nova Scotia Agricultural College

United States

Community Credit Corporation, program 8:17
Land bank system 8:18

University of Moncton, N.B.

Cloutier, R., Dean, Faculty of Sciences, statement 7:5-6
Health Science, student admissions to Universities
Laval, Sherbrooke, Montreal 7:6, 20-1, 25, 32
Scholarships, system, advantages 7:6-7, 11-4, 19
Studies
College level, program 7:21-2
Economic bases, agriculture, advantages 7:20
See also
Laval University
Maritime Provinces
Nova Scotia Agricultural College

WAKE (Westmorland Albert Kent English-speaking farmers)

Rexton Sub-Federation of Agriculture affiliation, brief 5:53-4

Walsh, J. E., Director, Maritime Co-Operative Services Ltd.

Silage corn 6:36

Weaver, G. M., Director, Fredericton Research Station, N.B.

Discussion 5:11-9, 28, 44
Statement, Kent County, farming 5:8-10

"We Must Save Rural Canada"

MacEachern, Gordon, author, article in *Reader's Digest* 8:5-6, 8

West, William, Director, Farm Credit Association, Moncton, N.B.

Statement, Kent County situation 6:13-5

Wheat

Bill drafting, domestic price establishment 1:12
Protein grading 1:11, 14
Research, goals, responsible persons 1:13
Two-price system, payment 1:11-2, 13-4

Whelan, Hon. Eugene F., Minister of Agriculture

Discussion 3:6-18
Statement, Kent County, farming 3:5-6

Williams, Hon. Guy, Senator (Richmond)

Agricultural problems in Eastern Canada 5:15; 6:28, 47

Williams, S. B., Deputy Minister of Agriculture

Discussion 3:11-3, 16, 18-23

Woodlot Association

See

Woodlot Association of Southeast New Brunswick

Woodlot Association of Southeast New Brunswick

Objective 5:48

Wright, James, Saskatchewan Wheat Pool

Discussion 1:13-4
Wheat, two price system 1:12-3

Yeo, Charles, Director, Maritime Co-operative Services Ltd.

Barley, Herta 6:35

Appendices

Issue 3—Department of Agriculture, Agricultural situation, Kent County, N.B., presented Committee May 22nd, 1973 3:24-36

Issue 5

- A—Kent County, N.B., Dynamics of Crop acreages, livestock population, climate; tables 1, 2, 3 5:59
- B—New Brunswick; farm cash receipt, average 1968-72, farms by economic class, 1971; tables 1, 2 5:60
- C—New Brunswick, Dept. of Agriculture and Rural Development, Planning and Development Branch; chart 1: screening, training Agricultural manpower 5:61
- D—New Brunswick, Dept. of Agriculture and Rural Development, Planning and Development Branch; chart: distribution of Sample for Descriptive Study 5:62
- E—New Brunswick, Dept. of Agriculture and Rural Development; table 1: Rank of Regression Equation Loadings 5:63

Issue 6

- A—New Brunswick Newstart Inc. Brief 6:58-88
Brief's annex
- B—J. D. Irving Ltd. Percentage of Kent County freeholding 6:91
- C—Kent County. Rail transport costs pulp wood logs 6:90
- D—Kent County. Plantation costs on old fields 6:89

Documents tabled

- "Beef Production in the Atlantic Provinces" 5:5
- "Canada Land Inventory—Capability for Agriculture" 5:5
- "Canada Newstart Program 6:4, 58-91
- "Description of sandy soils in cleared areas of coastal Kent and southern Northumberland Counties, N.B." 5:5
- "Feeding Guide for the Atlantic Provinces" 5:5
- "L.I.C.A. Project. Project Scheme of the Christmas Tree Producer's Association of the region of Kent, N.B.: . . . 5:6
- "1973 Field Crop Recommendations for the Atlantic Provinces" 5:5
- "1973 Potato Production Recommendations for the Atlantic Provinces" 5:5

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For pagination see Index in alphabetical order.



